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THE JERUSALEM POST

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MARGINAL COLUMN

By YAAKOV MORRIS

FEDAYEEN, to most Israelis, and after Sinai to the world at large, have become synonymous with attacks and ambushes on Israel civilians and property. But this does not cover the field of terror sown by Nasser's shock-troopers. Jordanians will remember the events preceding the expulsion of General Glubb, not to mention their last elections. A *fedayeen* circular to village Mukhtars threatening death for supporters of the Baghdad Pact or the British General was widely distributed. Nor will Libyans, Abyssinians, Iraqis and other Arabs forget that Egyptian military attaches are usually also the commanders of Nasser's sabotage units. They are the political terrorists who conspire for and organise the overthrow of local regimes. The simple fact is that political warfare through assassination, intimidation and armed subversion — not to mention the buying of the local press — is the hallmark of Egyptian fascism, as was the fifth column in the days of Hitler. This form of aggression within the Arab world is far more subtle and effective than open conquest, particularly as it masquerades under the ready slogans of "Arab Federalism," "One Arab Nation," "Anti-Imperialism" and "anti-Zionism."

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IN the light of these facts the reports coming in from Gaza are the more alarming. The unhappy Strip is fast becoming a *fedayeen* state. Whilst UNEF soldiers stand by helplessly, Nasser's enemies are being pursued and attacked in the main streets of Gaza town. The refusal of the Yugoslav unit "to act as policemen" no doubt explains their withdrawal to El Arish, whilst the Indians insist that their unit is only there "for a short period until the Egyptians take over." Mob demonstrations, organised by *fedayeen*, assisted by the radio war launched from Cairo, have silenced those of the population who hoped Gaza would become a "Tangiers." With Gaza made a genuine international zone the security problem would have been easier to control. The economic prospects would certainly have become brighter.

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FOR the present situation UNEF bears the primary responsibility. Encouraged by the passive attitude of its soldiers from the beginning, Egyptian agents and terrorists had nothing to fear. UNEF opened the prisons and released political internees — known *fedayeen* and Egyptian agitators — not excluding even criminals. Had the United Nations force been given the directive to maintain law and order, one firm demonstration that they meant to carry out their task would have prevented the existing anarchy. In fact, all events tend to indicate that the road has been cleared for a rapid return of the Egyptians. On the grounds that UNEF has lost control, that the population favours the return of Egyptian rule, and that the Yugoslavs and Indians are defecting, that the UNRWA refugee administration is endangered by looting and riots in the camps, Hammarskjold's original desire to restore Egyptian rule is being made easy to satisfy.

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FURTHER signs of this are not hard to find. Foreign correspondents seeking admission to the Strip are being directed through Cairo. Probably, in a matter of days, the first "Egyptian police" will be introduced and after them the first units of Nasser's army. This "victory" over the Israelis will no doubt inflame the situation still further. In the Arab capitals today, encouraged by this easy victory, the slogan is already being raised "After Gaza — the rest of Palestine."

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ISRAEL is thus faced with a highly explosive situation, perhaps even more explosive than that before Sinai. For now, if a joint UN-Egyptian rule is to exist for an interim period—UNEF will also be jointly responsible for any attacks made against Israel from the area in which they are nominally responsible for security. It is more than a problem — it is a veritable time-bomb.

Jerusalem, March 11.

NEHRU RE-ELECTED

NEW DELHI, Monday (UP). — Prime Minister Jawaharlal Nehru was re-elected to Parliament today with a margin of 86,222 votes over his nearest rival.

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West Rejects Soviet Note On M.E. Settlement

LONDON, Monday. — The U.S., Britain and France today formally rejected Russia's offer of February 11 for a four-power Middle East peace settlement.

In separate notes, the three western powers turned down the Soviet proposal for a Middle East arms embargo, the abandonment of bases and defence alliances in the area and a four-power Middle East peace declaration. The notes, although differently worded, all flatly rejected the Soviet peace bid as a "propaganda stunt."

N.A.T.O. members, nations of the Commonwealth and Baghdad pact countries were all informed in advance of the contents of the Western notes.

The British note stated that the Soviet memorandum contained "features with which the British Government would certainly agree. However, they do not take into sufficient account the wishes and rights of the states concerned and would not therefore prove to be the best method of promoting their peace, prosperity and independence."

It charged that Soviet actions had not been compatible with the aims of maintaining peace and security in the region. It gave as an example "the massive shipments of Soviet arms into the area at a time when regional disputes were already acute, which brought further misfortunes to an already troubled area, not least to the recipients of the arms themselves."

The note quoted the recent example of the termination of the Anglo-Jordanian military pact as evidence that the British Government is "always ready to adjust and develop its relations with individual Middle Eastern states in a manner best according with the wishes of these states."

French Note

The French Government, in its reply, said that "the solution of the Middle East crisis depends on a concrete effort to resolve the existing difficulties, especially the Israel-Arab dispute and the problem of freedom of navigation in the Suez Canal." It said it was necessary to avoid an arms race among the peoples affected by the Palestine conflict. France was interested in any formula which could lead to a reasonable limitation of arms deliveries to these countries.

The U.S. reply declared American readiness to cooperate with any country, "great or small," to seek a peaceful settlement in the Middle East in accordance with the U.N. Charter. "Great Britain and France, the other recipients of the Soviet note, have just made such a demonstration as a contribution to world order in fully complying with U.N. resolutions regarding the withdrawal of their forces from Egypt," it pointed out.

The U.S. note emphasized that American assistance to Middle Eastern states "is made only to those requesting it and no attempt is made to impose conditions upon the countries concerned."

(Reuter, UP)

We Do Not Accept Any Rule Except Egypt

Gaza Residents demonstrating on Sunday in support of their demand for the return of Egyptian administration following U.N.E.F. assumption of control over the town.

I.P.C. Oil Flows Again in Syria

LONDON, Monday (Reuter). — The Iraq Petroleum Company announced today that oil began to flow through one of its Syrian oil pipelines from Iraq for the first time since supplies were stopped during the British and French attack on Egypt last November.

In Bahrein, meanwhile, it was announced that the Saudi Arabian oil pipeline to Bahrein has also been reopened for the first time since the Suez crisis. Unofficial but reliable sources gave the initial rate of flow at 20,000 barrels daily. The former daily average was about 100,000 barrels.

The oil flow in the Syrian pipeline started at 3 p.m. (Israel time) today through the Kirkuk-Banias pipeline and should reach Banias on the Mediterranean coast of Syria tomorrow.

Syria gave permission last Wednesday for the company to start work on repairing installations which were damaged as a protest against the Anglo-French armed action in Egypt.

The I.P.C. said repair of two other pipelines — of 16 inches — which lead to the Lebanese port of Tripoli will be completed as soon as possible. Pumping through these lines would start in a few days' time.

U WIN MAUNG ELECTED BURMESE PRESIDENT

RANGOON, Monday (UP). — Former Transport Minister U Win Maung, was elected President of Burma for a five-year term today by a unanimous vote of both chambers of the Burmese Parliament.

Premier U Nu, on behalf of the Government, paid glowing tribute to the new President and wished him every success.

Lavon Warns on Subsidies Use to Affect Price Index

Jerusalem Post Reporter

TEL AVIV, Monday. — Indiscriminate use of subsidies to affect the price index will undermine worker confidence and jeopardize the opportunity to stabilize the country's economy, Mr. Pinhas Lavon, Secretary-General of the Histadrut, told The Jerusalem Post today.

Public money should be used only if there is a genuine chance of keeping the general level of prices down, Mr. Lavon asserted. If subsidies are indiscriminately given to keep the price of a commodity down artificially for a week or two, serious damage would be done to the programme for a healthy economy to which the Histadrut is committed.

The temporary gain of IL.15m. is not worthwhile when it risks undermining the trust which the workers have placed in the new wage policy, he stated.

Mr. Lavon said that the prospect of a healthier economy emerged when the Histadrut persuaded its members to accept the new wage policy, which provides for revision of collective wage agreements every two years and adjustment of cost of living allowances to the price index every six months. Previously, collective agreements were negotiated every year and c-o-l allowances adjusted every three months.

If the new policy fails to achieve stability, Mr. Lavon added, tension between the workers and the Histadrut, as well as between the workers and the State might result.

In his interview with *The Jerusalem Post*, Mr. Lavon also called for a rationalisation of Israel's industry.

He admitted that the period following the Sinai campaign was not very propitious for far-reaching reforms. Nevertheless, the Government, the Histadrut and the Manufacturers' Association should combine efforts to review the present industrial syste mand devise a plan for its reorganization.

It was inexcusable, Mr. Lavon charged, that large well-equipped plants were not operating at capacity because so many small workshops had to be assured of a share of the production despite their low standard. This existed for instance in bread production, he said. The large plants stood partly idle because small bakeries continued to receive their quota of flour.

While solutions to these problems might sometimes be bitter to swallow for the manufacturers and also for the workers, the needs of the country came foremost. Each branch of production must be reviewed on its own merits, Mr. Lavon concluded. No single policy offered a simple solution.

Cairo Permits Work On Suez Obstacle

CAIRO, Monday. — The Egyptian Government has given its permission to Lieutenant-General Raymond Wheeler, chief of the U.N. Suez Canal clearance operations, to start clearing the wreck of the tug Edgar Bonnet, the last obstacle to navigation of ships up to 10,000 tons left in the Canal, it was officially announced tonight.

General Wheeler conferred last night with the Egyptian Canal Authority's manager Mahmud Younis on telecommunications for the Canal. Earlier today, the U.N. had presented the Canal Authority with seven tons of telecommunications equipment which would be installed immediately, a U.N. spokesman said.

Meanwhile, in London the British Foreign Office spokesman told his press conference today that he knew of no Egyptian reply so far to the four-power proposal for an interim agreement on operation of the Canal.

Asked whether he knew of any move to "prod" Egypt for a reply, the British spokesman said "no comment."

Last month, the U.S., France, Britain and Norway proposed that when the Canal was reopened to shipping, fees should be paid in the first instance to the World Bank, which should immediately transfer 50 per cent to Egypt.

The International News Service reported from Washington yesterday that the U.S. has readied plans to refer the Egyptian procrastination to the U.N., which would be asked to exert pressure on Egypt.

However, officials said that the U.N. Secretary-General would first be given time to seek Egyptian cooperation on the passage of Israel ships through Suez and Akaba, and the insulation of the Canal operations from the vagaries of Egyptian politics once it begins operations.

Referring to reports that Israel plans to send a test ship through the Canal, U.S. officials declared that they thought it would be wiser to avoid a direct clash. They said that Washington favours giving Egypt a chance to offer Israel freedom of the Canal.

Thereafter, if Israel shipping is definitely refused by Egypt, the issue could be brought before the Security Council and Israel would not be liable to charges of trying to provoke an "incident" by forcing passage through the waterway.

(Reuter, INA)

350 from Egypt Among 900 Newcomers

Jerusalem Post Reporter

HAIFA, Monday. — Over 900 immigrants, including 350 refugees form Egypt, arrived this morning in the s.s. Semiramis and Artsa. The majority were sent straight to various development areas. Thirteen families went to Azata, near the Gaza Strip, and 32 young people joined kibbutzim.

The Egyptian refugees were all expelled from that country during the past fortnight. Among them was the owner of a number of sweets and chocolate and carpet factories. Several hundred workers had been employed in his plants, in Cairo and Alexandria. All the factories were seized by the authorities. He thought the Egyptians would be unable to run them, as all the Jewish managers had been expelled.

He had been deprived of his Egyptian citizenship, and given a *laissez passer*, in which he was registered as "stateless." He was given a fortnight to leave the country and was allowed to take a small sum of money and his personal effects. He hopes to be able to find work in the chocolate industry here.

Egyptians Seek Immediate Take-Over Of Gaza Strip Administration from UNEF

Bunche: U.N. Not Planning International Regime for Gaza

By PAUL KOHN

GAZA BORDER, Monday.—The U.N. Emergency Force did not intend to internationalise the Gaza Strip, though "for the time being" it had sole responsibility there, Dr. Ralph Bunche, the U.N. Under-Secretary, told international and Egyptian pressmen in Gaza today.

Dr. Ralph Bunche paid a five-hour visit to Gaza today and conferred on administrative matters with UNEF commander Major General E.L.M. Burns, Gaza strip commander Colonel Walter Lundquist, chief UNEF administrative officer Thomas Power and leading UNRWA officials. Dr. Bunche then flew back to Abu Suweir but he is expected to return to Gaza within three days, Mr. Caesar Ortis, the Mexican press officer of the UNEF forces told foreign and Israel newsmen at the Norwegian-manned frontier post south of Kibbutz Erez, this afternoon.

'No Comment'

(On his return to Cairo, according to Reuter, when asked whether Egyptian administrators will be allowed by UNEF to enter Gaza tomorrow, Dr. Bunche said, "I am sure Gen. Burns will shake hands with them." But he replied, "No comment" to a question as to whether his answer means that UNEF would "grant permission" to the Egyptian administrators to enter Gaza.)

Mr. Artis quoted Dr. Bunche as saying that the UNEF was now in Gaza as it had been in Sinai and elsewhere — with the clear agreement of the Egyptian Government. The task of UNEF had been clearly defined by the U.N. General Assembly and it would not go beyond it. The force was presently in a "take-over period" following the Israel withdrawal, Dr. Bunche declared.

The main objective of the force was to maintain peace and order in the area and see that essential public services are maintained, he stated.

(There was no official comment on the Bunche statement in Jerusalem last night. In Government circles, however, it was viewed with grave concern, and one source said that it was not a step conducive to peace.)

Trip 'Just Routine'

Dr. Bunche said his trip to Egypt and Gaza was "just routine" and had been planned some time ago. The UNEF was studying the area's economic problems, such as the need to pick and transport the citrus crop within the near future.

Israel and foreign reporters in the country did not participate in the Gaza press conference, although Mr. Ortis hoped arrangements would be made for visits from this side. Three Egyptian reporters took part in the Gaza conference this afternoon.

The visit of Dr. Bunche to Gaza coincided with the Strip's quietest day since the UNEF took control last Wednesday night, Mr. Ortis said. He described the whole strip as completely tranquil today. Shops were reopening, people returning to their daily activities, and in Gaza a municipal council had been set up by the UNEF which promised to co-operate with the occupying forces. This council had no chairman yet, and consist-

(Continued on Page 3, Col. 7)

OUR BROTHERS OF YESTERDAY

GAZA BORDER, Monday. — A group of Arab citrus grove watchmen were instructed by an Israel M.P. to move some distance from the place where pressmen were holding their conference. One Arab, apparently offended, said ruefully: "Why do you treat us like this? Only yesterday we were all like brothers!"

French Suspicions Confirmed—Mollet

PARIS, Monday (Reuter). — The French Prime Minister, M. Guy Mollet, said in a televised broadcast tonight that recent events in the Gaza Strip showed that the French were right when they denounced the good faith of Egyptian President Abdul Nasser.

The Premier said: "A few hours ago the news from Gaza was not good. I have the impression that our American friends, who a week ago during my visit to the U.S. already understood our position better, are now going to realize that we were right when we showed our suspicion of Nsser."

Meanwhile, in New York the U.S. delegate to the U.N., Mr. Henry Cabot Lodge, made an appointment to see the Secretary-General, Mr. Dag Hammarskjold, to discuss reports from Cairo on developments in the Gaza Strip.

Sources close to the Secretary-General declined to comment on the developments.

In Washington, the State Department spokesman, Mr. Lincoln White, declared that the question of resumed Egyptian military control of the Strip was a question for the U.N. to decide.

U.S. sources in the capital were reticent in commenting on the question, but one source said that "it would seem "reasonable" that Egypt might want to appoint an officer, such as General Abdul Latif, today named Administrative Governor of Gaza by President Nasser, to act as liaison with General E. L. M. Burns, the U.N.-E.F. Commander.

General Burns, meanwhile, is reliably reported to have appealed to Mr. Hammarskjold for immediate guidance on Cairo Radio efforts to whip the Arab populace of the Strip into a frenzy.

U.N. Task to Keep Egypt Out—Eytan

A great responsibility rests on the United Nations for asserting international rule in Gaza and preventing Egypt from returning to the area to resume the murderous activities which led to the Sinai campaign last October, Mr. Walter Eytan, Director-General of the Foreign Ministry, said in a broadcast from Jerusalem yesterday.

The message was transmitted by Kol Zion Lagola.

Mr. Eytan said that what is required is effective police action by the U.N. Emergency Force. "If Egypt is allowed to spread terror in Gaza, she alone will be accountable for the consequences."

He recalled, in speaking of the renewal of *fedayeen* attacks, that Israel has made it clear that she will not tolerate provocations of this kind.

He began the broadcast by [illegible] that refugees from Gaza have begun fleeing to Israel to escape a campaign of terror which Egypt has unleashed in the Strip.

Jordan House to Act On End of Pact Tomorrow

The two Jordan houses of Parliament will be called into joint session on Wednesday to ratify the text of the agreement terminating the Anglo-Jordanian mutual defence treaty, the Middle East News Agency reported yesterday from Amman.

The extraordinary session will also begin the debate on the 1957/58 Budget.

The exchange of letters on the agreement will be made within 48 hours of parliamentary ratification, and the treaty will end as of March 15, when the first British troops will begin to leave.

MENA also reported that Arab Legion units have already received orders to occupy the British bases at Mafrak, Akaba and Ma'an immediately upon their evacuation.

Jordan Army Warns Border Villagers

Jordan Army commanders in the Bethlehem and Hebron areas on Sunday warned border villagers that collective punishments might be imposed if infiltration into Israel is not stopped, "El Jihad," the Old City daily, reported yesterday.

They told the village notables and mukhtars that they would be held responsible if the raids continued.

A number of *fedayeen* attacks against Israel settlements have recently been launched from this region.

Abdul Latif Named Governor

CAIRO, Monday. — The Egyptian Government today announced the appointment of General Mohammed Hassan Abdul Latif as Governor-General of the Gaza Strip, and declared that Egypt was taking over the administration of the Strip "immediately."

The Government also announced the immediate reappointment of an Egyptian administration for the area and the payment of back salaries to more than 1,000 civil servants for the months of Israel occupation.

Orders for the take-over by the Egyptian administration have already been issued. The take-over is expected to be fully completed by tomorrow.

The announcement was made by Col. Abdul Kader Hatem, Director of Information, who also disclosed that Egypt has protested to the United Nations that the U.N. Emergency Force in the Gaza Strip was "overstepping its functions and firing against civilians."

Limited Functions

Col. Hatem said Egypt had agreed to the presence of UNEF "within the limits fixed by the U.N. — that is, to enforce the cease-fire and the withdrawal of enemy forces to the Armistice Lines. Egypt will not agree that the UNEF performs other functions than these."

UNEF Headquarters in Gaza promptly denied that its troops had fired against civilians there, that any casualties had occurred during the demonstrations yesterday or that the inhabitants or local authorities had refused to cooperate with UNEF.

U.N. guards in Gaza yesterday fired over the heads of demonstrators who tried to enter but did not attack the UNEF Headquarters.

Reports of casualties among demonstrators appeared in the Egyptian press today.

Two-Hour Conference

The Egyptian decision to take over immediately administration of the Strip was reached at a two-hour conference between Abdul Nasser, his Commander-in-Chief Maj.-Gen. Abdul Hakim Amer, his chief polictal adviser, Wing Commander Ali Sabry, and the head of the Foreign Ministry's Palestine Affairs Department, Salah Gohar. They discussed the Gaza situation and were briefed by Col. Gohar, who has just returned from the U.S.

Abdul Nasser told journalists outside his presidency that "a communique will be issued later."

Meanwhile, Cairo Radio today reported renewed demonstrations in Gaza with crowds cheering Abdul Nasser and rejecting internationalization of the Gaza Strip. The demonstrations were held outside the Government House but there were no clashes, the broadcast said. It gave no further details.

The Radio also said that the Gaza Municipal Council headed by Mayor Munir e-Ra'is, who had spent the past four months in an Israel prison, today adopted a three point resolution calling for non-cooperation with the U.N. and Egyptian administration of the Strip. It also protested UNEF shooting over the heads of demonstrators.

Similar resolutions were adopted today by the Khan Yunis, Dir el-Ballah and Rafah Local Councils, the Radio said.

An Egyptian press report from Gaza today said tension had been created between Lt.-Col. Carl Engholm, Commander of the Danish Battalion in Gaza, and the Yugoslav contingent. The report said Col. Engholm issued orders that the Yugoslav contingent should be stationed in the streets of Gaza, but the Yugoslav refused and answered his mission was to be stationed on the truce demarcation lines and not to act as an occupation force of the Gaza Strip.

The report added, "Gen. Burns issued orders that the Yugoslavs withdraw from Gaza following the population's demonstrations for President Tito."

Refusal Denied

UNEF Headquarters in Gaza denied that the Yugoslav contingent had refused to carry out Gen. Burns' instructions.

(In Belgrade today, the Foreign Affairs Secretariat said the Yugoslav unit is carrying out normal duties. Yesterday, however, Yugoslavia confirmed that a company of its troops had left Gaza for El Arish.)

Arab press reports said Munir e-Ra'is had asked Col. Engholm to import food commodities for UNRWA only from Egypt and not from Israel.

Demonstrators carried pictures of Col. Mustafa Hafez, calling him the "commander of the Palestine army who was killed by Jewish plotters." The pictures carried inscriptions reading "Patience, patience, Mustafa — we will take revenge for you."

An official of the Shell Co.'s Cairo office said last night that no report had been received so far that a Shell agent had been shot and injured in Gaza.

Yugoslavs Due In Cairo this Week

A Yugoslav Deputy Premier will arrive in Cairo on Friday at the head of trade and Parliamentary delegations, the Middle East News Agency reported yesterday. The Yugoslavs were invited to visit Egypt by President Nasser during his talks last summer with President Tito.

The same source reported from Damascus that Nasser will visit Amman before the end of the month at the invitation of King Hussein.

Bentov Back in Cabinet After Ministry Granted Eilat Loading

Jerusalem Post Reporter

Mr. Mordechai Bentov, the Minister of Development, participated in yesterday's extraordinary session of the Cabinet after he had been assured by the Prime Minister that his Ministry would remain responsible for the unloading and loading of the s.s. Brigitte Toft, the 3,500 ton freighter due in Eilat by the end of the month.

A majority decision of the Government on Sunday to transfer the responsibility for the handling of the ship to the Ministry of Transport prompted Mr. Bentov to walk out of the Cabinet meeting.

It is understood that furthere discussions of the prerogatives of the Ministry of Development will be held by the Government in the near future, and a final decision taken on the future of that office.

The Government yesterday approved amendments to the proposed 1957/58 budget, which will increase the budget by IL40m. to IL985m., from new sources of revenue. These amendments will now be presented to the Knesset Finance Committee.

The budget changes result in the addition IL70m. to the development budget — IL40m. of new revenue and IL30m. transferred from other items. This increase will be divided between housing and absorption of new immigrants and the expansion of industry, exports and public works.

The official communique said:

The Cabient in an extraordinary meeting yesterday approved supplementary proposals to the Budget, which was submitted to the Knesset and is being considered by the Finance Committee.

The Cabinet also approved in principle recommendations for economy in the Budget committee headed by Mr. Y. which were submitted by the Guri, M.K.

A draft law extending the Defence Tax for an additional year, in the amount of IL55m., was approved.

Cabinet also approved the appoinfment of Mr. Y. Shabo as Director-General of the Ministry of Interior.

TSUR TO SEE PINEAU TODAY

PARIS, Monday (INA). — The Israel Ambassador, Mr. Ya'acov Tsur, is to meet the French Foreign Minister, M. Christian Pineau, tomorrow to discuss the Middle East situation following the withdrawal of Israel forces from the Gaza Strip and Solomon's Bay.

Meanwhile, Mr. Moshe Sharett, M.K., today arrived in Paris in connection with the launching of the United Palestine Appeal campaign.

U.S. Jewry's Support Firm—Goldmann

TEL AVIV, Monday. — American Jewry, which is the most potent outside force in determining the future of Israel, has demonstrated its solidarity and stood firmly behind this country's struggle, Dr. Nahum Goldmann, President of the World Zionist Organization, said here tonight.

All responsible Israeli leaders know this, he added in a speech opening the sixth annual convention of the Association of Americans and Canadians at the Z.O.A. House.

Although there is no lasting benefit until we have established peace with the Arabs, Israel's fight has now been brought home to millions of non-Jews throughout the world, and Gaza and Sharm e-Sheikh have become household words, also outside of Israel.

Sonol
Sonol Israel Ltd.
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My Purim Present—Look
A "Koah" Savings Book
Savings Books, in new, attractive plastic covers, available at all Branches
BANK LEUMI
LE-ISRAEL B.M.

Social & Personal

Mr. S. Peres, Director-General of the Ministry of Defence, held a reception at the Ministry in Tel Aviv yesterday for Mr. Curtis Campaigne, Secretary-General of the World Veterans Federation, and Colonel E. T. Penfold, of Australia, who are visiting the country. On Sunday the visitors called on Mayor G. Agron of Jerusalem and laid a wreath at the Military Cemetery on Mount Herzl; later they laid a wreath on President Weizmann's grave in Rehovot and were entertained to cocktails by Mrs. Chaim Weizmann, Honorary President of Magen David Adom. Yesterday, the visitors toured the Tel Hashomer hospital and various rehabilitation projects for ex-servicemen run by the Ministry of Defence. The local veterans league gave a dinner in their honour at the Yarkon Hotel in the evening.

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The annual bazaar of the Working Women's Organization will be officially opened today at 4.30 p.m. in the Ohel Shem Hall, Tel Aviv. Speakers will include Mr. P. Lavon, Secretary General of the Histadrut, Mayor H. Levanon, of Tel Aviv, Mrs. D. Netzer, M.K. and Labour leaders.

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Mr. Bill Sefton, representative of the Steel Workers Union of Canada, yesterday visited the Hebrew University.

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The Italian Ambassador, Benedetto Capomazza, Marchese di Campolattaro, is to address the Skal Club on "Tourism in Italy" at the Zion Hotel, Haifa, today.

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The reception for Dr. Emanuel Neumann, President of the Zionist Organization of America, which was postponed owing to his delayed arrival, will take place on Thursday, March 14, when a luncheon will be tendered him by Z.O.A. House at 1 p.m. Reservations should be made by 9 a.m. March 14.

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All tickets for the Purim Ball of the Herzliya-Kfar Shmaryahu Rotary Club, which will take place at the Sharon Hotel on March 17, for the benefit of the Youth Clubs and Recreation Fund, have been sold. No tickets will be available at the hotel.

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BIRTH

MER — To Ilana (née Krieger) and Victor Mer, on Saturday, March 9, 1957, at the Assuta Hospital, Tel Aviv — a son, brother to Yael.

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MARRIAGE

ROSENBLUM — GONEN

The marriage between Amnon Rosenblum and Erella Gonen will take place at 5 p.m. today, at the Zion Hotel, Haifa.

US Said More Open To Help Egypt Jews

Jerusalem Post Reporter

"The Black Record," a 40-page documented pamphlet on Nasser's persecution of Egyptian Jewry published by the American Jewish Congress, has been distributed to "hundreds of thousands of Americans of influence in all walks of life," Dr. Israel Goldstein, President of the Congress, told a press conference in Jerusalem yesterday.

He said that with the disappearance of the Israel crisis from the front pages, the atmosphere in America was now more "favourable" for influencing opinion towards a better policy on this question. A "more vigurous expression" on the persecution of Egyptian Jews was being sought from American leaders, he said.

Dr. Goldstein said "The Black Record" aimed at "not permitting the world to forget that the Nasser regime follows in the footsteps of Hitlerism."

He said there was every evidence that, similar to the seizure of the Suez Canal, Nasser had planned the banishment and robbery of Egyptian Jews a long time ago and used the Sinai action as a pretext for carrying out his designs.

Reports emanating from Egypt indicated that the Jews there did not blame Israel for their plight but felt that it resulted from the inevitable direction Egyptian policy had taken. He noted that Jews with Polish passports had been able to receive Egyptian protection.

Dr. Goldstein, who participated in the plenary Jewish Agency Executive meetings in Jerusalem last week, said he was "surprised at the lack of recognition" on the part of the Israel press and public on the role played by the American Jewish community during the past four months. "Don't take for granted that because American Zionists did not advertise their activity that there was none. It was Zionist activity unparalleled since 1948 which contributed to the most impressive demonstration of American public opinion in support of Israel that we've seen in the last ten years."

Dr. Goldstein said that when the American ban on visas to Israel was lifted a great increase of Jewish tourism could be expected. "The prestige of Israel is tremendous," he concluded.

LEIB GLANTZ RECITAL TODAY

TEL AVIV, Monday. — Cantor Leib Glantz is to give a recital at 8 o'clock tomorrow evening at the Z.O.A. House, under the auspices of the Municipality. The programme will include new compositions.

LAW REPORT

The Jerusalem Post March 12, 1957

In the Supreme Court Sitting as Court Of Civil Appeal

Before Justices Silberg, Landau and Witkon.

S. Fuchs v. Eilon & Etzioni, Ltd. (C.A. 136/56).

Restraint of Trade in Israel

The Supreme Court dismissed an appeal against a judgment of the Haifa District Court delivered on April 15, 1956 (C.C. 68/56).

The appellant, Mr. S. Fuchs, a mechanic by trade, had prepared a design for manufacturing a certain machine used for cleaning motor parts, known in Israel as "the Jenny," after the trade name of the overseas manufacture. He reached an agreement with the respondent company by which the latter undertook to manufacture these machines in Israel in collaboration with Mr. Fuchs, who would receive a monthly salary, a sum of IL500 for the work he had already done, and a percentage on the sale of each machine.

The agreement laid down that in the event of Mr. Fuchs' deciding to leave the company he would continue to receive a percentage on the sales of the machines sold by the company, and would refrain from making them himself, either directly or indirectly, as long as the company was producing them.

The agreement was signed in 1954 and immediately thereafter Mr. Fuchs started working for the company. In November, 1955, he announced his intention of resigning, apparently because of differences of opinion as to the percentage of sales due to him. After having left the company, he claimed the right to produce the "Jenny" machines himself, despite his agreement to the contrary with the company. The latter consequently applied to the Haifa District Court for an injunction restraining him from doing so, which injunction was granted by Judge Winogradoff.

In the appeal against this decision, Mr. Z. Hadassi appeared for the appellant and Mr. A. Komornik for the respondents.

Judgment

Justice Landau, who delivered the judgment of the Supreme Court, said that he had no fault to find with Judge Winogradoff's conclusions and nothing to add to her rejection of the appellant's arguments that the respondents had broken the contract and that the provision with regard to his refraining from producing the machine was automatically cancelled together with his (the appellant's) cancellation of the agreement between himself and the respondents.

As to the appellant's main argument — that the clause preventing him from producing the machine was in restraint of trade and therefore null and void *ab initio* — Justice Landau wished to consider it despite the fact that the District Court had dealt exhaustively with it, in the light of the comprehensive arguments proffered by the appellant's Counsel.

First and foremost, he continued, he doubted whether opposing Counsel and the District Court had been entitled to take for granted that the English doctrine of "restraint of trade" could be applied wholesalely and unreservedly in Israel.

This doctrine was closely bound up with the attitude of the English courts towards economic problems — an attitude which varied with the times and circumstances. For this reason, our courts would be committing a serious error if they bound themselves indiscriminately to English decisions which themselves varied with the times. Careful consideration should be given in each and every instance to the question of whether the English rule is appropriate to local conditions (as provided for in Article 46 of the Order-in-Council). In addition, Justice Landau continued, Section 64 (1) of the Ottoman Code of Civil Procedure allows parties to make any agreement as long as it is not illegal, against public policy or immoral, and it is doubtful whether this provision can be reconciled with the limitations imposed by the English doctrine of restraint of trade.

Two Kinds of Restraint

However, Justice Landau said he was prepared, for the purposes of this appeal, to presume that the English doctrine does apply in Israel. In accordance with this doctrine, there are two kinds of restraint of trade: on the one hand when an employee undertakes not to compete with his employer after leaving his employment, and on the other when a person who has sold his business and goodwill to another undertakes not to open a similar business in competition with the buyer.

In the first case, he continued, the tendency is to invalidate the agreement as being in restraint of trade on condition that the ex-employee does not exploit any trade secrets or any special contacts made during his employment. The reason for this tendency is that by restricting fair competition the employer is not defending his existing rights but is endeavouring to gain an undue advantage. In the second case, however, the courts would enforce the agreement since otherwise the buyer of the goodwill would be precluded from getting his due benefit from his purchase.

In deciding into which category the transaction in the present case should fall, Justice Landau held that Judge Winogradoff had been correct in concluding that it fell within the second category. There was no general restriction on the appellant's pursuing his trade as a mechanic, he said, but only on his using his expertise in connection with the "Jenny" machine, for which he had been paid by the respondents.

While there might not have been a sale of actual goodwill, there had been one of potential goodwill in the present case. The test to be applied, according to the English doctrine, Justice Landau continued, is whether the restraint was reasonable and fair towards the parties themselves and the public in general. After analyzing the facts in the present case he concluded that the restraint was both reasonable and fair and imposed no hardship on either the appellant or the public.

Appeal dismissed with IL100 costs.

Judgment given on February 28, 1957.

Russia Planning Giant Power Unit

MOSCOW, Monday (Reuter). — A plan is under consideration to create one gigantic power unit for the entire Soviet Union, controlled from one or several centres and embracing one-sixth of the globe, the Soviet news agency, TASS, said today.

The system will include hundreds of power stations deriving power from water, coal, peat, shale and nuclear energy.

The first stage of the project will be the creation of a power system in the European part of the Soviet Union.

For this, two transmission lines will be built, one linking Stalingrad with Moscow and another linking both cities with the Don basin which would be the first long-distance direct current line in the world.

Under the system, power from the Volga would be used in the Baku oilfields, power from the Don basin thermal stations could be directed to Moscow factories, while on the Dnieper, turbines could provide power for electrified trains in the Urals, TASS said.

New Names for Old Wines

Jerusalem Post Reporter

Wine and brandy drinkers may soon have to accustom themselves to calling their beverages by new names. When a draft bill now before the Government is passed by the Knesset, such everyday words as Cognac, Malaga, Tokay, Port, Muscat, Medoc and Sauterne, in so far as they apply to the Israel product, will be banned.

The story goes back to March, 1950, when Israel signed the Madrid International Agreement. This agreement, originating in April 1891, concerns the prohibition of false labelling of the origin of merchandise.

It provides that a signatory country may confiscate imports of products which contain labels concerning the place of that country. It also forbids advertisements which might cause a wrong impression as to the origin of the goods.

Israel distillers have freely used the name Cognac for their brandies. Cognac is a town in France. Port applies to Oporto, Portugal; Medoc and Sauterne are names of French districts; Malaga is a Spanish town; Muscat is a Sultanate in the Arabian Peninsula, while moscat is a Spanish wine; Tokay is a place in Hungary.

The French asked Israel wineries and distillers to stop using the above names for their products as it is a violation of the Madrid Agreement.

The Israelis paid no heed, and in retaliation France permitted citrus growers in Algeria to call their oranges "Jaffas."

A Bill was then drafted by the Ministry of Justice and the Ministry of Commerce and Industry which would prohibit the use of such place names for commercial descriptions.

Two popular Israel wines, hock and pommard, will not be affected. Although the first universally (outside Israel) applies to a German wine and the second a French, they are not place names. Champagne producers also have nothing to worry about since the queen of alcoholic drinks is called here President's Wine (*Yain Hanassi*).

Now the search is on for new Hebrew names to describe old wines.

Yesterday's Press

Fears of Gaza Justified

Davar (Histadrut) warns the UNEF command and the Secretary-General that giving in to Egyptian pressure and cringing before Cairo's war of nerves is playing with fire. International elements interested in fanning the flames of strife in this region are egging Nasser on to defiance over the Canal issue so as to give the West something to worry about. Rumours of the induction of Egyptian police into the Strip following disturbances fomented in order to pave the way for that very induction arouse alarm.

Israel will follow the trend of events with intense interest and will act in accordance with her declaration of intentions at the Assembly.

U.N. Assurances

Hatsofe (World Mizrahi) also notes that the disturbances in the Gaza Strip are being guided by the *fedayeen* who already swarm all over it. The U.N. heads should remember that Israel withdrew on definite assurances that Gaza would not revert to its former situation and on the assumption that the UNEF would be able and willing to put down any attempt to restore the murderers' nest in the area. If it fails in that elementary task, Israel will not be able to put up with renewed murder and sabotage on her borders and will have to deal with the situation herself.

Only a few days after our armed forces evacuated the Strip, writes Lamerhav (Ahdut Ha'avoda), the Mufti has come out of his "hibernation," Nasser is again fulminating against Israel, the British Foreign Minister has seen fit to revive the Eden Guildhall proposals and we are still in the dark about what the Eisenhower Doctrine has in store for us. It is better then that we stop boasting about "achievements" that do not exist and grit our teeth as we scan the horizon without illusions.

The renewal of murder from ambush, according to Haboker (General Zionist), is not only a security problem but a political one as well. Terrorist activities have been inadequately publicized in the past. The world became aware of the Arab murder campaign only after the Arab states submitted complaints against Israel retaliation.

Herut points out that all fears voiced in connection with a U.N. regime in the Gaza Strip have been fully justified, including the charge that the Yugoslavs would not co-operate. Will Israel now sit back and wait till the *fedayeen* are completely organized for a full-scale campaign? Is it not more natural and logical for our forces to return to the Strip to restore order and save the lives of innocent people both within the Strip and beyond it?

Electricity Helps Out Nuclear Gadget

PHILADELPHIA, Monday (Reuter). — Electricity came to the rescue of atomic power yesterday as a 1957 nuclear congress got off to a shaky start.

An atomic reactor was to have provided the power to cut a tape opening the five-day congress. Nothing happened when the button was pressed. An electrician hastily switched to normal electric power.

More than 100 companies are displaying atomic exhibits at the congress, described by its sponsors as "the most comprehensive review of atomic energy in the Western hemisphere."

Among the exhibits is an atomic battery — about the size of a cough-drop — said to be capable of powering a portable radio for five years.

The exhibition was opened by a 14-year-old science-fiction enthusiast, Felix Liberto, who was born on December 2, 1942, the day the world's first controlled chain reaction was achieved at the University of Chicago.

Moscow Ridicules U.S. Anthropoid Art

LONDON, Monday (UP). — Moscow Radio declared on Saturday that American millionaires are "falling over one another" to buy the paintings of a six-year-old chimpanzee named Betsy.

A broadcast heard here said the rich were flocking to private showings while American cities hurried to organize exhibitions by the newly discovered "painter of genius," Betsy the Chimpanzee.

"The U.S. press reports the great success of pictures painted by Betsy among the hysterical worshippers of abstract art," the broadcast concluded.

Meanwhile, Reuter reports from Baltimore that Betsy held the first public sale of her paintings last week at her home in the Baltimore Zoo. Three of them were bought for $25 to $50 each.

Betsy herself was not present because she was demonstrating her talent on a television programme elsewhere in the city.

Hague Court Rulings Not Always Binding

A declaration renewing Israel's recognition of the jurisdiction of the International Court of Justice at The Hague has been published in the official Gazette.

The declaration was first made in October 1951. Since it is renewable every five years, it was again made last October, but not published in the Gazette until yesterday.

Under certain circumstances the Court's decisions would not apply. Among these would be a decision involving a State that does not recognize Israel.

At the Cinema

"TWENTY Thousand Leagues Under the Sea" (Migdalor), Jules Verne's famous adventure story, makes an exciting picture and it is only surprising that it had not been done before. Considering the scenic effects the unfolding of the plot offers, it is not surprising that the Walt Disney Studio should have produced the film (Richard Fleischer directing) and that ingenuity should mark the production, although personally I would have liked to have seen more of the sea's flora and fauna.

James Mason plays the misanthropic Captain Nemo who has rejected the upper world in favour of the depths of the ocean and plans to use his submarine (designed like a huge plaice with glaring eyes) to destroy the world he has grown to hate.

Paul Lukas is the French professor who has been asked to track down the unknown monster that is harrowing the ocean. Pop-eyed Peter Lorre is the professor's assistant and Ned, the harpooner, is played as a funny-man by Kirk Douglas.

Mason creates a real personality out of the Captain but the acting honours are really stolen by a delightful young seal, the only female aboard the Nautilus. The 13-year-old who accompanied the reviewer found it all "too wonderful." S.W.

Eternal Triangle

"JUBAL" (Armon, Haifa) is the eternal triangle of bored wife, unglamorous husband and handsome stranger, transported into the framework of the western. It is a strong drama of suspicion and jealousy, perhaps stronger as theatre than as cinema because, although it develops into tense action, there is much dependence on dialogue.

Let us rule out the hero (Glenn Ford), the stranger befriended by the husband, since his script is overburdened with self-pity — and note the two outstanding performances. Ernest Borgnine plays the husband, warmhearted and simple but, as jealousy grips him, the expression leaves the chubby face for the glimmering of his eyes. Even better is Rod Steiger, the man who causes all the trouble, controlled, feline, working himself into perspiration at every moment of crisis — a very complete job. A word too for the wife (Valerie French), not a difficult role but acted with a polish made natural by nervous telling gestures. "Jubal" should be seen to understand the meaning of acting.

Haifa Film Club

HAIFA Film Club repeated last year's showing of a minor classic, Norman MacLaren's bitter satire on war. Like all true art, its strength lies in the projection of its impotence.

Max Linder's 1910 "Max Pedicure," a comedy of misplaced gallantry, was followed by the Buster Keaton "The Navigator," an adventurous 1924 farce in a somewhat Heath Robinson world. Chronologically, Chaplin came between these two comedians. Linder sketches Chaplin's habit of drawing the arm across the body and Keaton imitates it. Technical resemblances are there but neither has the master's depth of human content.

A three-minute silent farce, "The Begels of Bat Galim," was made by E. Attias, Haifa, literally on a string (IL20). It caught the spirit of silent slapstick; the opening sequence had an idea; then, however, the plan of the script became obscure — composition, Mr. Attias, composition. H.

U.S. GRANTS FOR ARAB TEACHING STUDENTS

"Children to Palestine," the Christian children's organization associated with American Hadassah, has donated $1,650 to 11 Arab girls studying at the School for Arab Women Teachers in Jaffa, the Ministry of Education announced yesterday.

The donation, which amounts to IL270 for each of the students, has been made as an expression of the organization's support of the recently established project.

Cinemas

JERUSALEM

At 3.30, 6.30 and 8.30

ARNON: Written on the Wind.
EDEN: "Boniface Somnambule."
EDISON: Serenade, 2nd week.
ORGIL: A Kiss Before Dying.
ORION: Solid Gold Cadillac.
ORNA: The King and I, 3rd week.
RON: Lady Hamilton.
STUDIO: The Browning Version, 2nd week.
TEL OR: Cry Vengeance.
ZION HALL: The Girl Rush.

TEL AVIV

At 3.30, 7.15 and 9.15 p.m.

ALLENBY: "Casque D'or," 3rd week.
ARMON DAVID: Gervaise, 7th week.
CHEN: Folies Bergere.
EDEN: Shree 420, 13th week.
ESTHER: I'll Cry Tomorrow, 3rd week.
HAMERKAZ: Saadia.
MIGDALOR: 20,000 Leagues Under the Sea.
MOGRABI: Trapeze, 5th week.
OPHIR: Oklahoma.
ORION: Limelight.
SHDEROTH: "Avant Le Deluge."
TAMAR: Intimate Relations.
TCHELETH: The Man from Laramie, 2nd week.
YARON: "La Strada," 2nd week.
ZAMIR: "Donne Proibite," 3rd week.

HAIFA

AMPHITHEATRE: The Best Things in Life Are Free.
ARMON: Jubal.
ATZMON: The Man with the Golden Arm, 2nd week.
EN DOR: Macao, l'Enfer du Jeu.
GAL OR: Furia, 2nd week. Matinee: Fallen Angel.
MAY: Baby Doll.
MORIAH: Rebel Without a Cause, 2nd week.
ORAH: "La Foire Aux Femmes."
ORLY: Picnic.
ORION: Attack, 2nd week.
PEER: "Cuore Ingrato."

Notices to the Public

RESULTS OF THE COMPETITION

for improvements at the tomb of Rabbi Shimon Bar-Yohai at Meron, and its vicinity, which was announced by the Government Tourist Office and the Ministry for Religious Affairs in conjunction with the Central Competitions Committee of the Association of Architects and Engineers

• • •

The Plan of Y. Shinbeger, Architect, of Jerusalem, was accepted unanimously by the jury as the best in the above competition.

The exhibition of the plans will open at Beit Hamehandess, 200 Rehov Dizengoff, Tel Aviv, on Monday, March 18, 1957, and will remain open until Sunday, March 24, 1957, daily from 9 a.m. to 1 p.m. and 4 to 7 p.m.

EMERGENCY PHARMACIES

JERUSALEM: Amudim, Rehov Jaffa, 3351.
TEL AVIV: Abramski, 42 Allenby, 3536. Reitblatt, 19 Nahlat Binyamin. Ora, 90 Dizengoff, 23320. Yehuda Halevi, 61 Yehuda Halevi, 5159. Tamar, Givat Shimshon, Hatikva Qtr.
JAFFA: Briut, 6 Rehov 3, 82532.
RAMAT YITZHAK: Hasharon, 28 Jerusalem, 72046.
PETAH TIKVA: Assuta, 7 Schtampfer.
NATANYA: Hamagen.
HOLON: Ribek, Struma Sq.
RISHON LE-ZION: Strechilovitz.
REHOVOT: Barak, 155 Herzl, 366.
HAIFA: Hagiborim, 28 Hagiborim, 67490.
KIRYAT BIALIK: Zvulon.

EMERGENCY PHYSICIANS

JERUSALEM: Dr. Grunwald, 22 Yehoshua Bin-Nun, 62963. Dr. Romanov, 11 Arlosoroff, 61217. Dr. Shikarshi, 8 Beit-El, Nahlat Zion.
TEL AVIV: Dr. Griffel, 5 Ben Yehuda, 23496. Dr. Shaham, 1 Syrkin, 25842.
JAFFA: Dr. Weinberg, 4 Rehov 65.
HAIFA: Dr. Sherman, 2 Hanevi'im, 2494. Dr. Ludwig, 34 Shivat Zion, 67417.

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Where to go

JERUSALEM

• **Exhibitions:** —
Permanent exhibition at the Department of Antiquities, 25 Rehov Shlomo Hamelekh. New rooms: Prehistory and Israelite period. Educational exhibit: How to arrange small local collections. Special exhibits, New finds from the excavations at Tel Gat and Ein Mallaha, 9-1, 3-5.

Conquest of the Desert, Permanent Exhibition. Daily from 10-1 4-6. On Friday from 10-1 only, closed on Saturday.

1) Works by Marc Chagall. 2) Paintings and Graphic Works by Max Liebermann, Yosef Israels and Isaac Levithan. 3) Selected Acquisitions, 1946-1956. Exhibit of the month. Candelabrum from a Synagogue in Kfar Hanania. Bronze, III-IVth c. C.E. Loan by Courtesy of the Mariemont Museum, (Belgium). Bezalel, 9-1, 2-5.

1) Oil Paintings by Abshalom Okshi. 2) Sinai Travel Drawings by S. Katz. 3) Illustrations by Bezalel Schatz of Henry Miller's book "Half Past Midnight." 4) Mosaics by Hava Hada. Artists' House, 10-1, 4-6.

1) Graphic Arts and Drawings (Characters from the Ma'bara) by Ilana Shafir, Ashkelon. 2) Persian antique metal works. 3) Abstract paintings by Israel artists. Nora Gallery, 9 Maimon Ave. 10-1, 3-6.

"From the Depths" — Collection of works by the mentally ill. Tzavta Club, 38 King George Ave., 5-10 p.m.

• **Tours:** —
Hebrew University Conducted Tour, 10 a.m. Administration Bldg., New University Campus. (Conducted tours in Hebrew Sundays and Thursdays, 11 a.m.).

• **Play Reading:** —
De Benedetti's Comedy "Due Dozzine di Rose Scarlatte," in Italian, under the auspices of the Dante Alighieri Society. 8.30 p.m. Rehavia Gymnasium.

• **Lecture:**—
Symposium on "The Value of Archives for Historical Research," speakers Prof. Y. Heilprin and Dr. A. Bein. Beit Hillel, Rehov Balfour, 4 to 7 p.m.

• **Film:**—
"L'affaire Maurizius." Centre de Culture Francaise, 3 Ben Yehuda. 5 p.m. (250 pruta) and 8.45 p.m. (500 pruta).

TEL AVIV

Italian Specialities. Lunch, Dinner, Soupe a l'oignon. Luky's Bar, 3 Allenby Rd., Tel. 25782.

• **Exhibitions:** —
Watercolours by Ignaz-Itzhak Reicher, Chemerinsky Art Gallery, 36 Rehov Gordon, 10-1, 4-8.

Oil Paintings, T. Bernhard, Katz Art Gallery, 10-1, 3-7.

• **Theatre:** —
Habimah, "Medea," 8. Cameri, "No Time for Sergeants," Mograbi, 8. "Don Juan in Hell," New Hall, 8. Ohel, "5:5," 8.

• **Documentary Films:** —
(7 p.m.) — "Living Silver" — "Paintings of an Abstraction" —Yehudi Menuhin "Violin Recital No. 7." Music Appreciation Group (8:15 p.m.)

• **Recital:**—
Leib Glantz in Cantoral and Hassidic Music. At the piano: Hanan Winternitz. Auspices: Tel Aviv Municipality, Z.O.A. House, the Department for Religious Culture. Z.O.A. House, 8.

HAIFA

• **Exhibitions:** —
1) Drawings by Mane Katz to the poem of Isaac Katznelson. 2) Modern Dutch prints. Fortnightly exhibit: "Yarkon Landscape" — water colour by Yosef Kossonogi. Museum, Town Hall, 10-1, 5-7.

Opening of the exhibition of paintings and drawings by Gershon Knispel. Traclin Art Gallery (opp. Zion Hotel), 6 p.m.

KIRYAT HAIM

• **Theatre:** —
Habimah, "Anna Christie," 8.

HADERA

• **Theatre:** —
Habimah, "Anna Frank," 8.

RAMLE

• **Theatre:** —
Do-Re-Mi, "Scandal at the College."

ON THE AIR

FIRST PROGRAMME
322, 249, 33.5 & 42.9 M.

News, Hebrew: 6.25, 7.00 a.m. 1.30, 5.00, 7.00, 9.00, 1.00 p.m. English News: 1.45 p.m. French: 2.00 p.m. Arabic Programme (including News). 6.00 a.m. 2.15 and 6.00 p.m.

6.20 a.m. Service. 6.37 Exercises. 6.47 Musical Clock (R). 7.15 Melodies (R). 9.00 Close Down.

12.00 Music at Noon — Shany Wallis and Dennis Lotis (Vocalists). 12.30 Music for Two Pianos, played by A. Sachs and A. Elinson. 12.50 Housewife's Choice. 3.30 Close Down.

4.00 Light Music requests. 4.40 Romances and Spanish Folksongs presented by Yitzhak Levy (Baritone) 5.05 Light Music. 5.10 Tora Lesson, by Dr. N. Leibowitz. 5.30 Youth Corner. Ron · Ami. 7.25 "For Your 7.15 We Present Tonight. 7.18 Health." 7.45 "Looking Down from the Carmel." 8.10 Noah's Ark. 8.35 Bible Reading—Melachim B' Chapter 19. 9.15 Concert by the Kol Yisrael Orchestra. Conductor, Heinz Freudenthal. Soloist: Rina Bravermann (Piano). Edel: Andante for Strings. Beethoven: Piano Concerto No. 1 in C, op. 15—Interval—Franz Berwald: Symphony No. 5. 10.45 The Week in U.N. 12.00 Close Down.

SECOND PROGRAMME
497, 400, 125, 48.9 & 30.2 M.

English News: 10.00 p.m.

IMMIGRANT'S HOUR: 1.45 "From Dan to Eilat." 2.15 Close Down.

5.30 Programme for Yemenites. 5.45 Hebrew Lesson for beginners. 6.00 Light Music. 7.00 Yiddish. 7.30 Ladino. 8.00 News in Easy Hebrew. 8.15 Turkish. 8.30 Rumanian. 8.45 Hungarian. 9.00 Interval 9.30 French. 10.30 Close Down.

KOL ZION LAGOLA (33.3 M.): Programme to South Africa. 6.25 News. 6.35 "From the Federation." 6.40 "Tuesday Concert"—"Jewish Composers in Europe." 7.05 News in Yiddish.

Programme to U.K.: 11.30 News. 11.40 "On the Spot." 11.45 Israel Folk Dances. 12.00 Easy Hebrew conversation. 12.15 Jewish Teaching about God.

ARMY PROGRAMME (44.6, 216, 225 & 320 M.): 6.00 Opening. 6.02 Songs. 6.30 "Musical Kay." 7.00 News. 7.10 "Evening Star." 7.30 "Call-Up" to Eilat. 8.00 "The Soldier as a Civilian." 8.10 Noah's Ark. 9.00 News. 9.15 Evening Tunes. 10.00 Close Down.

B. B. C. HEBREW BROADCASTS: (16.79, 19.42, 16.96 and 21.15 M.): 6.30-7.00 p.m. News, News Talk, Jewish Commentary, The Edinburgh Festival.

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The Press Acclaims

O'Neill was a success because the actors had the insight and inspiration to read the riddle of fate. The atmosphere in the theatre slowly becomes electrified, tension is built-up until an explosive point is reached. It was an evening of true theatre. . .
Dr. H. Gamsu, Ha'aretz

It seems to me to be the best performance of the season. . .
Ezra Sussman, Davar

A good, important and satisfying evening at the theatre. . . Therefore, worth seeing. . .
Leah Porat, Lamerhav

Habimah presents the drama with talent and ability. . .
Dr. Feuerstein, Hasofeh

A grand performance. . . One of the best in the Hebrew theatre. . .
Baruch Karo, Haboker

Our thanks for moments of sublime ecstasy, you leave the theatre, which still echoes with the loud applause, knowing that you have witnessed true theatre. . .
R. Azarya, Ma'ariv

Aharon Meskin creates a tragic father figure (Ma'ariv); Emanates true warmth (Davar); Excellent acting, meticulously built-up (Ha'aretz); A great actor (A. Nahor, Yediot Aharonot, and Herut).

Miriam Zohar Anna Christie is excellent in her moments of fury, despair and her outbursts. These are illustrated plastically in three dimensions, in depth of course... These were great for Miriam Zohar and important steps in her road to stardom. (Dr. Gamsu).

Miriam Zohar, crowned in the glory of her golden mane, is convincing and conquering at the peak of her part (R. Azarya); Success was assured by the applause accorded to the young actress. (E. Sussman).

Nahum Buchman has created one of his best roles (Ha'aretz); Succeeded as always to give convincing expression to the storms of the soul (Ma'ariv); Was ideal (Davar).

Bat Ami Succeeded in expressing the warmth of Martha Ower (Ha'aretz); Creates a heart-rending figure of humanity (Ma'ariv); Her performance is rendered with talent and sincerity (Haolam Hazeh).

Anna Christie

FURTHER PERFORMANCES

Tonight, March 12, Kiryat Haim
Wednesday, March 13, Tel Aviv
Thursday, March 14, Tel Aviv
Saturday night, March 16, Tel Aviv at 9.30
Monday, March 18, Tel Aviv
Tuesday, March 19, Petah Tikva
Wednesday, March 20, Tel Aviv
Thursday, March 21, Natanya

HABIMAH

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Today's Postbag

The Weather

FORECAST: Partly cloudy to cloudy with occasional rain.

	*A	B	C	D
Mt. Cana'an	62	8	11	9
Tiberias	75	11	14	17
Haifa Port	82	11	15	17
Natanya	82	11	19	18
Tel Aviv Kirya	58	11	16	17
Tel Aviv Port	80	12	16	17
Lydda Airport	60	9	16	17
Jerusalem	64	9	13	11
Beersheba	64	10	16	15
Eilat	30	13	23	23
Sdom	—	16	—	—

*A) Humidity at 8 p.m. B) Minimum temp. C) Maximum yesterday. D) Maximum temp. expected today.

ARRIVALS

Mr. Haim Yaphet, Deputy Director-General of the Ministry for Social Welfare, from a visit to England, sponsored by the U.N., to observe social welfare agencies.

Lady Violet Bonham-Carter, Vice-President of the British Liberal Party, for a ten day visit as guest of the Government (by El Al).

A TEST OF air-raid sirens will be made in Haifa, between 9 a.m. and 4 p.m. tomorrow. The sirens will sound for three minutes. In the event of a real emergency, a warbling note will be sounded.

U.S. Attache Flown Home for Burial

LYDDA AIRPORT, Monday. — The remains of Colonel Leo J. Query, the American Military Attaché who died in his home in Herzliya on Friday, was flown to the U.S. today in a twin-engined U.S. Army aircraft.

The American Ambassador, Mr. Edward B. Lawson, headed the mourners at the airfield, the others included the Italian Ambassador, Marchese de Campolattaro; the Canadian Chargé d'Affaires, Mr. G. Kidd; Aluf-Mishne Yehushafat Harakabi, representing the Chief of Staff, Foreign Military Attachés, Mr. Ya'acov Herzog, Head of the U.S. Division of the Foreign Ministry, and Dr. M. Simon, Chief of Protocol. A military police unit provided the guard of honour.

The coffin had been brought to the airport on an Israel Army Command car, flanked by a guard of honour of U.S. Marines. (Itim)

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Ujpest to Play Israel Today

Jerusalem Post Reporter

TEL AVIV, Monday. — Ujpest, the first division Hungarian football team due to arrive here at midnight by S.A.S. from Turkey, will play against the Israel Selected in Ramat Gan Stadium tomorrow at 3.45 p.m.

Their second and last game will be with their hosts, Haifa Maccabi, at the Haifa Municipal Stadium on Thursday at 4.00 p.m. Their trip will include sightseeing and they will return to Hungary on Friday.

This will be the first time that a Hungarian team has visited Israel and the first officially-sponsored sports visit from an Eastern European country since the Sinai campaign.

Ujpest is second in the Hungarian League and its young players — the average age is 22 — have been national champions eight times and have held the Central European Cup three times.

The team's manager, Mr. Mihai Dicker, was introduced to the press today by the Hungarian Chargé d'Affaires, Mr. Robert Garai. Over Hungarian wine and American cigarettes, the reporters were told of the success which the team attained during their current European and Turkish tour.

Accompanying Ujpest are its trainer Mr. Sandor Balogh and the famous football expert, Mr. Gustav Sebes.

Ujpest's visit is to be followed up by the arrival of the Hungarian trainer, Mr. Andor Kiss, who is under contract to Haifa Maccabi.

Oil Drilling To Start at Ein Gedi

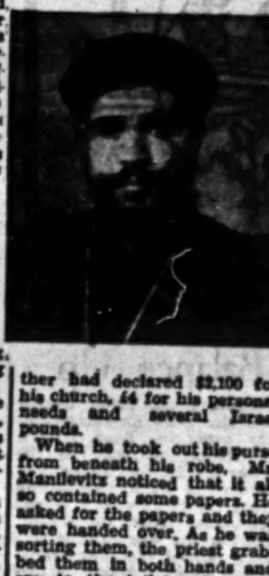
BEERSHEBA, Monday. — Drilling for oil will start nine kilometres south of Ein Gedi in the middle of next week. It will be carried out by the Israel Waterworks Ltd. on behalf of the Israel-American Oil Company. The camp has been put up and the transport of the 180-feet high drill, which can reach a maximum depth of 3,600 metres, and various equipment has started.

The doctors, nurses and employees of the
DISTRICT HEALTH OFFICE IN BEERSHEBA
extend deepfelt sympathy
to MRS. TRUDE KOSLOVSKY
on the passing away of her husband
Dr. HENRY KOSLOVSKY

The Executive of the World
Zionist Organization
deeply mourns the death of
Menahem Solieli
the Zionist leader, thinker and scholar,
former member of the Zionist Executive.
His name is enshrined in the annals
of Zionism.

Coptic Priest Stands Trial For Espionage for Jordan

The trial for espionage of Father Joachim el-Anthony, 48, former head of the Coptic community in Israel, began yesterday in the Jerusalem District Court.



Father el-Anthony was brought to court under guard, but he was excused, however, from sitting in the prisoners' dock. He sat behind his lawyer, Mr. M. Kehaty, and often conferred with him. Although the priest knows Hebrew, he sometimes made use of the services of an interpreter. With two intervals the trial was held in open court.

In presenting the State's case, Mr. Ezra Hedaya, Jerusalem District Attorney, expressed his regrets that "bitter realities" had made him file the charges. Mr. Hedaya said he would prove the accuracy of the charge by producing the documents found on the accused during a search, and by revealing his subsequent behaviour.

The actual basis for the charge of espionage is a note, written in ink, which was taken from the prisoner at Mandelbaum Gate on October 4, 1956.

Other documents written in Arabic were confiscated. In addition, three 1956 Government Yearbooks in Hebrew were taken. (Mr. Yehuda Arbel, Assistant Superintendent of Police, and head of the Special Duties Branch in Jerusalem, later said that the Yearbooks were invaluable to the enemy. Israel's war potential could be determined from them. They had been published because Israel, a democratic country, tried to provide its citizens with all information possible. Such books were not issued in totalitarian regimes.

Collecting Information

It would take years for the enemy to collect and collate all the information they contained. Mr. Arbel, after discussing the special privileges granted to members of religious orders and spiritual leaders at Mandelbaum Gate, continued his testimony in camera.)

Mr. Hedaya said the contents of the documents were not known at first, and these had been confiscated only because they had not passed censorship.

The priest's "guilty conscience" could be shown by two facts, the District Attorney held. He had tried to smuggle a letter out of the Jerusalem jail, and he had told a Jordanian infiltrator, who was to be repatriated to Jordan, to contact a Jordanian officer and tell him that the "asses" (Israelis) had caught him, but that he had transmitted the important matters, and had only been found out in the secondary ones.

The first witness, Mr. Abba Manilevitz, a customs clerk at Mandelbaum Gate, said he had never before searched a priest. After telling of finding the Yearbooks and other documents, he said the Father had declared $2,100 for his church, £4 for his personal needs and several Israel pounds.

When he took out his purse from beneath his robe, Mr. Manilevitz noticed that it also contained some papers. He asked for the papers and they were handed over. As he was sorting them, the priest grabbed them in both hands and ran to the toilet. After two or three minutes he came out. He had replaced the papers in his wallet which he had put back under his robe. Father el-Anthony then said that he had changed his mind and no longer wanted to go to Jordan.

At the suggestion of Sergeant Mordechai Malka, in charge of Mandelbaum Gate, the priest's wallet was examined. The allegedly incriminating note was found in his identity card.

Sgt. Malka, who then testified, said that the priest had burst into a rage. He had calmed him and he had finally crossed over into Jordan.

In reply to a question from Mr. Kehaty, Sgt. Malka said that Father el-Anthony needed a visa to cross. Only those priests living in Jerusalem were excused from this formality. However, he did remember that Father el-Anthony had crossed at least once without a visa. He also said that Father el-Anthony had brought back an Arabic book with him from Jordan on two occasions. The first book was entitled "I was a Prisoner in Israel." The rest of Sgt. Malka's testimony was given in camera.

Inspector Michael Buchner, Mr. Arbel's deputy, told of the actual arrest on November 14, when the accused returned to Israel. He did not know if he had acquired an entry visa before returning.

Mr. Mandel Koch, of Jaffa, told of meeting the priest while they were both imprisoned in Jerusalem. The priest had given him a letter to be delivered to his home.

The trial continues tomorrow.

Gov't and Agency to Share Cost Of Housing 100,000 Immigrants

Jerusalem Post Reporter

The Government and Jewish Agency will share the IL75m. cost of providing housing and preliminary absorption facilities for 100,000 expected immigrants this year, according to a decision reached yesterday by the Government-Agency Coordinating Committee.

The three hour meeting was presided over by Prime Minister D. Ben-Gurion and attended by the Ministers of Foreign Affairs, Finance, Labour, Interior and Social Welfare, Mrs. G. Meir and Messrs. L. Eshkol, M. Namir, Y. Bar Yehuda and M. Shapiro, Dr. Nahum Goldmann, Chairman of the Jewish Agency Executive, and Executive Members Z. Shazar, Z. Shragai, E. Dobkin, M. Kol, M. Grossman and Y. Braginsky.

The meeting followed the conclusion of the plenary Executive deliberations on Sunday.

The Government's financial share in the sum needed to build 25,000 additional housing units and provide preliminary facilities is included in the draft 1957/8 budget now before the Knesset. The Agency's share in this additional sum is partly provided for in its budget for this year with the remainder still to be raised.

It was decided at yesterday's meeting to call on Jewish communities in the Diaspora for help in financing immigration and absorption, following the need for the rescue of Jews from Egypt, Hungary and other countries.

It is expected that the some 35,000 remaining Jews in Egypt will immigrate to Israel. Of the 13,000 who have already left, some 6,500 are already here.

With the conclusion of the plenary Executive meeting, members of the Jerusalem Executive are to leave for Europe and America in connection with fund raising campaigns. Dr. Dov Joseph, Agency Treasurer, left yesterday for Canada. Mr. Zalman Shazar leaves today for Buenos Aires where a regional conference of South American countries will be held. He will be joined there later by Mr. Doltzin.

Messrs. L. Eshkol, E. Dobkin and Z. Shragai are due to participate in the regional European conference that opens in Paris at the end of the month.

Meanwhile, the Zionist General Council Presidium, meeting yesterday under the chairmanship of Mr. Y. Sprinzak, decided to hold the next meeting of the full Council on July 10.

WIZO Centres To Honour Mrs. Sieff

TEL AVIV, Monday. — The 13th World Wizo Conference, which closed today, decided to establish "Rebecca Sieff Wizo Centres for Women" throughout the country as a tribute to its President. This was stated by Mrs. Wm. Riven, President of Canadian Wizo.

In expressing her gratitude to the delegates, Mr. Sieff declared that the Zionist movement today had power without responsibility. The weight of responsibility fell on those working for Israel, she said. She declared that the Jewish Agency should include all bodies which raised funds for this country.

Resolutions of solidarity with Israel and the Government, and of appreciation to Israel Wizo for its steadfast service to the State, were presented by Mrs. Ines Gordon, President of South African Wizo.

Closing the conference, Mrs. Rosa Ginossar, outgoing Chairman, stated that the conference had dealt with serious problems and had made important decisions.

On behalf of the foreign delegates, Mrs. Gordon announced that 1,000 trees will be planted as tribute to Mrs. Ginossar.

14 BAKERIES which contravened the order forbidding night baking were sentenced by a Tel Aviv court yesterday to fines up to IL[illegible].

Herut Wants B-G Decision Probed

The Herut faction in the Knesset has submitted an urgent motion for the agenda proposing that the Prime Minister be called before a parliamentary committee of inquiry for having "violated explicit resolutions of the Knesset."

The reference is the resolution of January 23 which declared that Israel would maintain a civil administration in the Gaza Strip and would leave Sharm e-Sheikh only if tangible guarantees of free navigation were received.

The General Zionists also submitted an urgent motion calling for a debate on "the political security situation in the light of latest developments."

The House Committee yesterday discussed the concerted heckling of Mr. Ben-Gurion's speech by Herut members last Tuesday night and what action should be taken with regard to the five members who were called to order by the Speaker. The discussion is to be continued today.

It is learned that the Coalition members of the committee, with one exception, proposed that the maximum punishment be imposed, i.e., suspension from five sessions. Dr. M. Nurock (Hapoel Hamizrahi) favoured a token punishment only. Mr. A. Govrin (Mapai) called the Coalition Executive together last night to discuss the imposition of Coalition discipline in the matter.

Time Said Wasted In Shura Action

TEL AVIV, Monday. — Too much time was being wasted in the month-old libel action brought by Mr. Amos Ben-Gurion, Police Deputy Inspector-General, against the Shura, Presiding Judge Zeitner told the Counsels today. In a Bench decision, he said that the examination of witnesses were at times out of proportion to their importance, resulting in a waste of public time and money. He declared that if this state of affairs continued, he would order that the summing up be presented in writing.

Two reporters of "Ha'aretz" were among six witnesses produced today by the Shura.

Mr. Haviv Kana'an testified that in an interview last December Mr. Y. Sahar, Inspector-General of Police, declared that the Police could not deal with offences committed abroad, and that they had not succeded in obtaining evidence from German sources. Mr. Shabatai Tevet, also of "Ha'aretz," who interviewed Mr. Amos Ben-Gurion, and wrote a series of articles on the Police, was questioned at great length by Mr. Shmuel Tamir, Counsel for the Shura. Mr. Tamir ought to show that there were discrepancies between the statements made in Court by the Plaintiff, and those made to Mr. Tevet.

During the hearing, Judge Zeitner stated that the matter of the Ligum villa was not part of the libel charge. This was acknowledged by Mr. M. Caspi, Counsel for the Plaintiff.

The hearing continues tomorrow.

Fedala Brings Meat On Last Trip to Israel

Jerusalem Post Reporter

HAIFA, Monday. — The Dutch freighter m.s. Fedala arrived from Djibuti this morning with 316 tons of canned meat and eight tons of hides. She made the trip from Eritrea round the Cape of Good Hope.

Her local agents, the Poseidon company, explained that she had completed her contract and would now return to her Dutch owners. It was because of this that she had not gone to Eilat this time. On her return from here she will take a final cargo of 100 tons of non-kasher Incode meat to Bulgaria.

Arab boy who received asylum in Israel, drinking tea in an army canteen.
Photo by Rosenblum

Public Too Fussy About Their Health, Kupat Holim Told

Jerusalem Post Reporter

Israelis see their doctors too often and are too fussy about their health.

This was stated yesterday by Dr. Walter Abeles, Head of Kupat Holim in Jerusalem, at the sixth national Kupat Holim Conference in Jerusalem.

Dr. Abeles charged the public with lacking a feeling for public health in general. Israelis exaggerated the health needs of the individual and neglected those of the overall public.

They visit clinics, doctors, and nurses much too much, he said, adding that they overestimated the importance of laboratory examinations and the medicines bought in pharmacies.

He noted that there was no lack of doctors in the country, and there would be no work for the 300 doctors expected from abroad.

Shortage Artificial

The shortage of doctors was artificial, he said, adding that it was caused by the numerous calls on doctors, a higher percentage than accepted abroad.

Specialization in medicine was dividing the patient into his component parts and specialists had stopped seeing the patient as a person. The modern trend was back towards the general practitioner.

In the general debate, opposing viewpoints were heard on adopting the "family doctor" system.

Dr. Tova Yeshurun-Berman said the problem which faced the clinics could be solved only if each member could chose his own doctor. This doctor would become familiar with his patients, their families, and their special conditions. Doctors could not separate themselves from their patients through "queues and numbers." There was no reason why a patient should be received by two different doctors on two consecutive days at the clinic because there were no more "numbers" left for the first doctor.

Mr. H. Vishinsky asked the conference to resolve that patients would only be received in clinics. Only in extraordinary cases, when there was no clinic in the vicinity, should doctors be allowed to receive patients in their homes. It was up to the conference, he said, to fight against doctors who only engaged in private practice.

Earlier Dr. Yeshurun-Berman noted that of the 2,923 doctors not working in hospitals, 2,252 practised in the towns.

Doctors in Villages

The villages, which contained 25 per cent of the population, had less than 10 per cent of the doctors. But of the 276 doctors living in villages, 260 were on the staff of Kupat Holim.

Representatives of outlying settlements complained about the lack of doctors and nurses.

A member of one settlement said that members had to travel many kilometres to obtain medical treatment. The question of medical services might determine the future of the settlement.

Members of the Kupat Holim Centre were guests of honour at a Hebrew University luncheon yesterday.

The debate continues tomorrow.

T.A. Plan Prize Goes To Technion Graduate

TEL AVIV, Monday. — Tel Aviv's new town hall will be based on the plan of a 25-year-old Haifa Technion architecture graduate, Mr. Menahem Cohen. His plan was today awarded the first prize of IL2,000 by the Municipality.

The new town hall, to be built at the corner of Frishman and Ibn Gvirol streets in the Bloch-Sderot Chen residential district, will be "Corbusier-like," with 15 stories above ground level. The projected edifice will hold all the municipal offices now scattered throughout the city, including the City law courts.

Mr. Cohen is at present with the town planning office of Y. Peristein, and is working on the new town of Ashdod Yam.

The second prize, worth IL500, was awarded to Mrs. O. Ya'ar, also a Haifa Technion graduate.

These and other designs can be seen at Beit Hamehandess, 200 Rehov Dizengoff, until this Saturday.

Three More Held In Kastner Shooting

TEL AVIV, Monday. — Three more young men suspected by police of complicity in the shooting of Dr. Israel Kastner were remanded for 15 days by Magistrate M. Czernobilsky today.

The three men are suspected of being members of a terrorist group, it was learned. They were detained two days ago.

Meanwhile, lawyer Ya'acov Heruti, arrested yesterday morning, is continuing his hunger strike. This was stated by advocates Y. Goldenberg and E. Shoresh, who are representing him. Mr. Heruti will be brought before Magistrate Czernobilsky tomorrow.

The Tel Aviv Bar Association decided at an emergency meeting today to demand the release of Mr. Heruti. It was resolved that police should not detain an advocate while he is representing suspected persons, as this might affect the status of the Bar.

Mr. Heruti is representing two other detained men, Ze'ev Eckstein and Yosef Minkes.

The Bar Association also complained that its representative was not allowed to visit Mr. Heruti.

The condition of Dr. Kastner who was wounded by a revolver bullet in his left side last Monday is reported as still serious. Mrs. Kastner, after visiting her husband today, said he was suffering great pain.

A 150-GRAM meat ration per person will be distributed this week throughout the country. The price is IL1.800 per kilogram.

BUNCHE

(Continued from Page One)

ed mainly of councillors who served during the previous Egyptian rule (Cairo Radio referred to Munir e-Ra'is as Mayor).

Khan Yunis had been the most peaceful town in the Strip with no demonstrations to disturb the "Cha Cha Cha" and "mambo" music blaring from Colombian radios, Mr. Ortis said.

UNEF forces had taken special precautions, and searches for weapons had yielded a quantity of arms, Mr. Ortis said. Curfew hours were from 6 p.m. to 6 a.m.

Today, Gaza strip residents were already cheering UNEF vehicles, many soldiers were going about unarmed. The Swedish commander of the area complained that his stomach would suffer if he was entertained to any more sumptuous meals by local notables.

The UNEF was deployed as follows: —

Danish and Norwegian troops under the command of Lt. Col. Carl Engholm (Denmark) — Gaza and to the North — Indians under Colonel Ankor Deva — at Dir El-Ballah; Colombians under Lt. Col. Cesar Cabera — at Khan Yunis; and Swedes, commanded by Col. Langmar Stevenberg — at Rafah.

Yugoslav units were stationed along 120 kms. of the demarcation line, Indonesians to the south of them and Finns were at Sharm e-Sheikh. Canadian forces were in charge of services and administration, and Brazilians occupied parts of the Sinai Peninsula. There were no UNEF units at the St. Catherine Monastery.

Positions Along Lines

All UNEF units assigned to the Israel border had taken up positions along the demarcation lines, except the Colombians, who do so tomorrow, Mr. Ortis said. UNEF forces were in observation posts during daylight hours and patrolled their regions during the night. No complaints from Israel concerning infiltration had reached UNEF, Mr. Ortis said.

The international force had found "everything in order" after Israel forces and administrative personnel withdrew from the Gaza Strip, the Press Officer stated.

In the Dir El-Ballah region there were, however, many unmarked minefields, and UNEF could not control the movement of cattle and shepherds.

The Press Officer said no negotiations had been undertaken concerning the export of Gaza Strip citrus fruit through Israel. He confirmed that both Egypt and Israel currencies were being used in the Strip.

Mr. Ortis is no newcomer to these parts, having served as Press Officer to Count Bernadotte and Dr. Bunche in 1947. On his meeting some of the Israel journalists today, they embraced and recalled old times.

The press conference was held around a UNEF jeep just before a UNEF dug out at the side of the Gaza road. Between this post and the Israel tents, at the side of the railway line, is a 500-yard belt of no-man's-land where Blue-helmeted Scandinavians and khaki-beretted Israelis fraternized freely.

Needy Get Less Than Enough To Live on Says Minister

Jerusalem Post Knesset Reporter

The financial assistance given to needy persons by the Ministry for Social Welfare is less than the minimum required for subsistence, the Deputy Minister, Dr. I.S. Rosenberg, said yesterday. He was speaking in the Knesset on the Ministry's budget.

The food allowance given to an individual ranged from IL8.500 to IL12.750 a month, whereas the minimum of 2,400 calories a day cost IL18 (in September 1956). Nor was the monthly allowance of IL8.300 for rent, clothing, Kupat Holim dues, and other expenses in line with actual prices, Dr. Rosenberg said.

Needy families receive only IL4 for each child.

But even these below-minimum allowances were not paid throughout the country; there were some local authorities who paid even less. And in 20 local councils and four district councils there were no social welfare offices at all to which the needy could apply.

The Social Welfare Bill, which passed its first reading, would make this obligatory. It would also require relations to contribute to the support of the needy.

Dr. Rosenberg said that close to half of the entire budget of the Ministry was spent for direct assistance. Consequently the amount remaining for other purposes — preventive work and rehabilitation — were extremely limited.

New immigrants who failed to make a success of agriculture constituted a still unsolved problem. According to a cautious estimate 1,500 families have been unable to adapt themselves to village life and have become a heavy burden on their communities.

"The families degenerate, the land goes to waste, the children are brought up in an atmosphere of despair — and it is possible that these families could be settled satisfactorily under different conditions." Dr. Rosenberg said the problem had been referred to the Government-Jewish Agency Coordinating Committee.

The problem of institutional care for retarded children was approaching a solution, he noted, although there were still 60) children waiting to be admitted, of whom 150 were serious cases.

The budget included an item of IL50,000 which would enable the Ministry to open the Swedish Village near Jerusalem and care for 120 children for a year. But the Ministry had been informed that under the retrenchment programme this item might be struck from the budget. Dr. Rosenberg hoped that the Finance Committee would not make cuts of this sort.

He also urged the restoration of the IL750,000 for old-age assistance already cut from the Ministry's budget estimates.

He closed by urging an increase of the Ministry's budget "in order to ensure minimum subsistence and to prevent the development of harmful social phenomena, which would in the end cost the State much more."

In the debate, Mr. B. Arditi (Herut) said that proportionately less was being budgeted for social welfare from year to year. The entire Government, including the Minister for Social Welfare, must bear the responsibility for this.

Dr. B. Harel (G.Z.) questioned the need for a separate Social Welfare Ministry altogether. Let the Education Ministry deal with the education and training requirements of the needy, the Health Ministry with their health needs, etc.

Mr. Y. Nitzani (Mapai) urged that encouragement and assistance be given to women's organizations and immigrants' organizations who do volunteer social work.

Mrs. S. Kafrit (Mapai) thought that some of the preventive work of the Ministry was a duplication of activities of the Minhal Ha'hasbara, while Mrs. D. Netzer (Mapai) criticized the Ministry for lack of initiative in the field of social legislation.

Seamen's Council Confers in Haifa

HAIFA, Monday. — The prospects and uncertainties of Israel shipping from Eilat through the Red Sea to Africa and the Far East, and the passage of Israel vessels through the Suez Canal, were the invisible chief delegates who overshadowed the opening of the second Seamen's Council tonight. The Council consists of 28 delegates representing over 2,000 seamen, including 400 officers who serve on Israel's 32 merchantmen.

The Minister of Transport, Mr. M. Carmel, told the seamen that Eilat was open to us now and we hoped that after our withdrawal the promises given us would bear fruit and that it would remain open. "But no one can fully assure those who fear for the future."

Greeting the seamen in the name of the Government, the Minister said that it was making great efforts to make the merchant marine a decisive factor of our economy. He revealed that a draft of a maritime code had already been passed by his Ministry to the Union for study.

Greetings were also conveyed by Mayor Abba Khoushy in the name of the port city; Mr. A. Becker, head of the Histadrut Trade Unions Department; Captain Walter Dallman, a veteran seaman; Mr. Z. Yehieli, on behalf of Zim; and Mr. Y. Recanati of El Yam. Mr. M. Namir, the Minister of Labour, sent a message.

Telegrams were received from seamen's organizations in Europe, including the French, German and Finnish unions.

A telegram was received from Eilat harbour.

Guests included the Commander of the Navy, Aluf S. Tankus, and representatives of shipping firms and maritime circles. The meeting was presided over by Mr. Z. Barash of the Histadrut Executive and opened by Mr. David Nathan, Acting Secretary of the Union.

The Conference will last two full days.

HABIMAH THEATRE
Revival of a smash hit!
Tonight, March 12, 1957, at 8
TEL AVIV
Hanna Rovina in MEDEA
Director: Peter Frye
Music: Paul Ben Haim

...Hmm, not bad, but...
Ascot tastes better —
is better!
More than 1 out of every 3 Filter Cigarettes smoked is an Ascot. A Product of Ascot Cigarette Co. Ltd.

Economic News from Abroad

Slow USSR Expansion

- Industrial production in the U.S.S.R. is to increase by only 7 per cent, according to the revised schedule announced at the last session of the Supreme Soviet. While this rate of economic growth is higher than in many Western states, it is much lower than the annual 11 per cent originally planned for 1956-1960 which was actually attained in 1956. Several bottlenecks and strains, including a manpower shortage, are the main reasons for the reduced pace. Significantly, the downward revision has been most pronounced in the coal industry (which failed to reach the target even in 1956), and it is to affect heavy industry and light industry to a similar extent. Moreover, residential construction is to be stepped up to 2.5 times the original target. Retail sales of consumer goods are to increase by 10 per cent and some hints suggest that imports may be expanded — primarily from the satellite countries — in order to supplement home supplies.

U.K. Dumping

- Denmark has protested to Britain concerning the dumping of British eggs and cattle on the European market which, she says, violates the GATT. U.K. egg exports have reached a level of 100,000 boxes a week, i.e. two thirds of Danish sales, and the Danes have been put in a difficult competitive position owing to the big subsidy paid to the British producers. British live cattle are also shipped to Western Germany at reduced prices which are offset by the subsidies paid to farmers.

African Minerals

- One of the main effects of the establishment of the European common market will be a rush for investments in western and central Africa. Several study groups and financing companies of mixed nationality have already been formed with the participation of powerful banks and industrial groups. Among the projects now discussed, the most important concern the utilization of iron ore, manganese and oil. In all cases, however, prior construction of railways and port facilities, which would cost hundreds of millions of dollars, is necessary.

P.A.A. Pushing Ahead

- Pan American Airways has made a bid to establish itself on the African continent by offering to buy the State-owned Central African Airways Corporation. The corporation has been subject to criticism on account of its losses and the Central African governments are determined to put it on a sound business footing. However, the American proposal is encountering staunch opposition from all quarters supporting close affiliation to Britain, and an alternative offer is expected shortly from the B.O.A.C.

Euratom Orders

- Following visits of the expert committee of Euratom in the U.S. and in Britain, a decision is expected shortly regarding orders for the continental nuclear power plants. The present programme envisages the instalment of 3,000 megawatts of atomic electricity each year, but the type of reactor has not yet been fixed. Competition is keen between the American type of reactor, burning enriched uranium (which the U.S. offered to supply at easy terms) and the British type, fueled by natural uranium (of the Calder Hall type and of a more advanced stage), projected for 1960. Within the next five years atomic electricity is expected to be available at a cheaper price than power generated from conventional coal and oil-fueled plants.

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SORTING OUT

PURIM will be merry this year despite the political hangover and the increased party tension, for the grim prospect of sanctions, austerity and unemployment has been replaced by the pleasant anticipation of a new boom. Though people are grumbling about higher prices, of course, the labour situation is improving steadily, trade turnover is satisfactory, the crucial building industry is again expanding, and — most important — the vexing money squeeze is softening perceptibly. Short and limited as the war was, it has produced its inevitable "backwash" of money liquidity, of which only a part has been skimmed off by additional taxation (including reduced subsidies) and by the Defence Loan.

The IL140m. deficit incurred by the Government during the first three quarters of the current fiscal year, resulted in more purchasing power, which is now gradually seeping through all business channels. Moreover, part of the war expenditure has not yet been included in the Treasury statements, and whether deficit spending has been stopped by now we do not know. Significantly, the Bank of Israel's advances to the Government continued to climb long after the Sinai campaign was over and plans to repay them by the end of the Budget period have been silently dropped, though this would necessitate an amendment of the Bank of Israel Law (Para 45).

That such a step would detract from the Bank's independent status and considerably reduce its power to enforce sound financial policy and stable currency is self-evident. That this is done when the Government preaches saving and putting our house in order raises doubts about the real value of its intentions. But it cannot fail to have a bullish effect upon the stock exchange and the property market.

As a matter of fact, there is much more solid ground for economic optimism than just another bit of inflation. The dreaded drop in foreign currency income largely failed to materialize and now — with resumed grant-in-aid, bigger loans, soaring personal compensations, unimpeded exports and tourism, and the national Funds set for a record drive — there is every likelihood that we may have more than we can swallow in the near future. Even private capital import seems to be somewhat recovering after its total collapse in recent years. On the other hand, mass immigration and major development projects must stimulate demand and cause a general expansion of business activity.

It is only natural that the sudden change in economic outlook should be accompanied by a *volte-face* in the public attitude to the emergency measures now under discussion. Why should taxes be raised, subsidies to "essentials" abolished, public services reduced and wages frozen when there is no apparent need to reduce the nation's standard of living, when Government revenue is exceeding estimates by at least 10 per cent, and the absorption of new immigrants is greatly eased by the magnanimous assistance of world Jewry?

The Treasury will doubtless be hard put to it to defend its proposals against this general mood. Nor is there any valid reason for sticking to precepts rendered obsolete by the rapid course of events. But one should not lose sight of the real issues at stake, though party machines and official propaganda have succeeded in falsifying them to a remarkable extent. The emergency label has been stuck on measures which are needed all the same if our economy is to be made sound (such as abolition of food subsidies and cutting Government expenditure), while others are mainly the result of social resentments (such as excessive income tax). Now that the emergency pretext has been removed, the camouflage is no longer possible, and the various proposals should be revaluated, not by their immediate fiscal yield, but according to their economic merits in the long run.

NEW MID-EAST OIL ROUTES

A Survey of Israel's Fuel Problems

By Gershon Meron

THE international oil situation has eased to a certain degree this month. While during the period December-February, Western Europe was able to secure only some 75-80 per cent of its oil needs (Egypt and Syria showing even lower supply figures) it is now assumed that during the second half of this month western and northern European countries, as well as Italy, may be able to secure some 85-90 per cent of their normal pre-Suez supplies. An additional factor in alleviating the general situation has also been the Texas Railroad Commission's much delayed decision, taken only recently and after much pressure, to increase certain production quotas.

During the past nine years we have learnt that what is considered abnormal elsewhere, is part of Israel's daily life. This truism unfortunately applies tellingly to our oil problem.

Israel's pattern of energy consumption is unique since the whole of the country's economy is entirely dependent on oil. During 1956 this country consumed roughly 1,330,000 tons, of which Heletz's production amounted to some 20,000 only, which means that some 98 per cent of our needs had to be covered by imports — we spent $42m. on them against $37.7m. in 1955 and $33.7m. in 1954. Although we may produce nearly 150,000 tons of our own crude oil this year, we will spend much more foreign currency on imports than in 1956 due to higher transportation costs as well as to the rise in the price of oil itself.

This almost total dependence on foreign oil makes Israel's economy much more sensitive than that of the "normal" countries that can avail themselves of coal, hydroelectric power, timber, peat, shale oil, and natural gas, which is growing in world importance.

The following table shows Israel's consumption of various fuel products since 1949:

COMPARISON OF ISRAEL'S CONSUMPTION OF OIL PRODUCTS

Product	1949		1952		1954		1955		1956	
	Tons	%	Tons	%	Tons	%	Tons	%	Tons	%
Benzine	93,000	19.8	163,000	17.1	161,000	14.5	184,000	14.8	210,000	15.8
Kerosene	71,000	15.1	128,000	13.4	139,000	12.6	147,000	11.8	165,000	12.3
Gas Oil	66,000	14.1	138,000	14.5	158,000	14.3	184,000	14.8	214,000	16.1
Fuel Oil	230,000	51.0	488,000	51.3	610,000	55.1	694,000	55.8	682,000	51.4
Miscellaneous	—		35,000	3.7	39,000	3.5	38,000	3.0	58,000	4.4
Total	460,000	100.0	952,000	100.0	1,107,000	100.0	1,244,000	100.0	1,327,000	100.0

It appears from these figures that by far the most important petroleum product used by Israel's economy is heavy and light fuel oil which amounts to two-thirds of the total oil consumption. This in itself automatically sets certain limitations on ways of economizing and rationing oil products.

Contrary to general belief, consumption of benzine for private cars is fairly low, the important consumers being urban and interurban truck services and the like. Since on the one side the curtailment of transport is only possible up to certain limits without seriously impeding the movement of the working public; and since benzine consumption for pleasure driving is anyway rather an insignificant factor, it follows that more drastic restrictions would hardly result in any proportionable saving. On the other hand, the recent increase in the retail price of benzine has resulted in a sort of "rationing by the purse," and a further reduction of consumption, which has been variously estimated at up to 12 per cent, has been noted.

Restrictions in kerosene consumption would have much more serious consequences, especially during the winter months, since this product, "the poor man's fuel," is indispensable for domestic use and to a certain degree as a power source for tractors.

There remains heavy fuel. With electric power production in Israel based entirely on the thermo-power process, the Palestine Electric Corporation alone consumes more than one-third of all the oil products used in this country. The rationing scheme introduced in November could be implemented fairly efficiently since it is based on a uniform maximum kilowatt-hour standard and could, so to speak, operate on a sort of "deduction-at-source" scheme without the necessity of supervising each individual consumer.

It has been estimated that so far we have saved in this manner the equivalent of some 90,000 to 100,000 tons a year — or 15-18 per cent of our total fuel oil consumption. The reduction of fuel oil allocations for certain large industrial consumers, especially cement plants, has resulted in a further saving. But any further drastic restrictions in the use of petroleum products, however, may hamper export possibilities and thus lead us into a vicious circle.

Unorthodox Supply System

Since 1948, Israel's oil has been supplied in a way which may seem unorthodox, to say the least, by European and American standards. The bulk of it has come from the most varied sources, mainly from Caribbean wells. Along with Heletz crude, it has been refined at the Haifa Refineries, still one of the largest plants of this sort in the Middle East. In view of the disproportionately high demand for fuel oil in Israel, however, supplies of crude have had to be supplemented by the import of (refined) fuel oil.

Soviet Russia, which has been shipping both crude and fuel oil to Israel, covered about one-quarter of our requirements in 1956. Then the U.S.S.R. State-owned Oil Export Organization cancelled our existing supply contracts including those for 1957 and 1958 for reasons which have been described by suppliers as *"force majeure."* According to British and American newspapers this cancellation made commercial history: foreign economic commentators stressed that it was the Soviet Ministry of Foreign Trade itself which allegedly refused its own Oil Export Organization the required export licence, thus creating a sort of home-made *"force majeure."*

Israel is at present importing almost all of her oil products from the Western hemisphere.

The Eilat-Sukreir (Ashdod) pipeline will be an important step towards ensuring the normal flow of the country's oil supply.

The idea of constructing this medium diameter (8-inch) pipeline from Eilat to Beersheba (and later on to Ashdod-Yam north of Ashkelon) with an annual throughout capacity of some 750,000-800,000 tons, had seemed fantastic only some two months ago. But it is now a sober fact. Huge storage tanks have been erected in record time near Eilat and a considerable part of the pipeline is already ready for operation, so that the completion of the Eilat-Beersheba part will be a matter of weeks. The highest standard of workmanship, as acknowledged by foreign experts, has been maintained by Israel workers and engineers throughout the whole complicated construction operation. This "internal" pipeline project may be followed by the construction of an "international" 32-inch pipeline from Eilat to Haifa.

The second line would have a throughout capacity of some 22m. to 25m. tons per year, and would be, by the way, for foreign investors a well-paying proposition, since the high construction cost would be offset by a marked saving in Canal tolls, which at present amount to approximately one dollar per ton. In addition it should be remembered that the larger and more economical super-tankers of 40,000 to 50,000 tons that are being built today cannot pass through the Canal fully loaded in any case.

The "international" pipeline plan is in no way a makeshift arrangement born of an emergency. It was suggested by Israel as early as 1950, together with reiterated assurances that the legal international status of any operator of, or investor in, such a pipeline would be safeguarded by law.

An additional parallel pipeline which may be considered at some later stage, would bring the total throughout capacity to some 46m. to 50m. tons per year (as compared with the present combined capacity of 40m. tons through the Banias-Kirkuk I.P.C. pipeline and the Trans-Arabian Tapline), and would immediately solve the transport problems of Persian Gulf countries.

Since the distance between Eilat and Haifa is only about 400 kilometres, this pipeline would be one of the shortest in the whole of the Middle East and as far as construction and operation costs are concerned the most economical, even if we take into account the necessity for the double loading and unloading operation at Eilat and Haifa. Last but not least, this pipeline would, for the first time since 1948, enable the British-owned Haifa refinery to operate at full capacity instead of the present 20 to 22 per cent, and make it once more an exporter of refined products in the Mediterranean area.

The steady increase of Middle East oil production reflects the urgency of creating an additional link between the Red Sea and the Mediterranean, coupled with the necessity for a large super-tanker fleet. Since 1954, Kuwait's annual production has risen from some 48m. tons to what is now an equivalent of 60m.; Saudi Arabia's from 47m. to roughly 50m. and Iran's to 26.5m. The new oil wells discovered in the area, especially in Iran, show that production can rise much higher in the very near future.

In the light of these imposing figures, even a reconstructed and enlarged Suez Canal seems almost obsolete. Even if we disregard the fact that in years to come the Canal is not likely to lose the character of a dangerous political trouble spot, the construction of the new pipeline is a necessity.

(This is the second of two articles. The first appeared on Friday.)

Luxury Imports Are Dangerous

By Our Economic Correspondent

OFFICIALS at the Ministry of Finance are busy working out a plan for the import of luxury goods in addition to the foodstuffs on the "free" market. It is proposed to import consumers goods, including expensive textiles, which are to be sold at the rate of IL10 to IL12 to the dollar. The sum to be expended in dollars is set at IL3m.

The explanation given for this strange plan is the fight against inflation. If you offer the public an array of tempting goods it will buy, and this will "mop up money."

Fortunately, the plan has not yet been approved and is encountering the opposition of the Ministry of Commerce and Industry. The officials there are afraid that imported goods will compete with local products and that the export drive — which is, or should be, the centre of our economic exertions — is likely to suffer from it. Some of our industrialists make up the losses they suffer when selling abroad by charging higher prices on the internal market. This concerns high quality goods, which cost more in Israel than abroad. If high quality consumer goods are to be imported on a larger scale than hitherto, Israel industry will lose one of the sources of income which finances the export drive.

But the import of expensive goods must be opposed even more strongly for other reasons. One of the reasons given for it is the prospect of higher earnings for the Government. The import of expensive foodstuffs, formerly carried out by the scrip shops, has been taken over by a Government company which works with other agencies. The profits of this company appear to be enormous. The authorities do not hesitate to raise prices for expensive foodstuffs because they do not appear in the Cost-of-Living Index. Thus it is believed that two birds can be killed with one stone. Superfluous purchasing power is mopped up while the Government gets urgently needed money.

It is an easy step from allocating dollars for the purchase of Nescafe to Dacron and nylon fabrics and other luxury goods. If there are people ready to buy goods priced at IL10 to the dollar let them have it, and let the Government pocket the profits.

This argument is altogether wrong. It rests on the supposition that it is the prerogative and duty of the Government to earn money, and that high profit-making, which is wrong for private individuals, is completely justified if the cash flows into the public coffers.

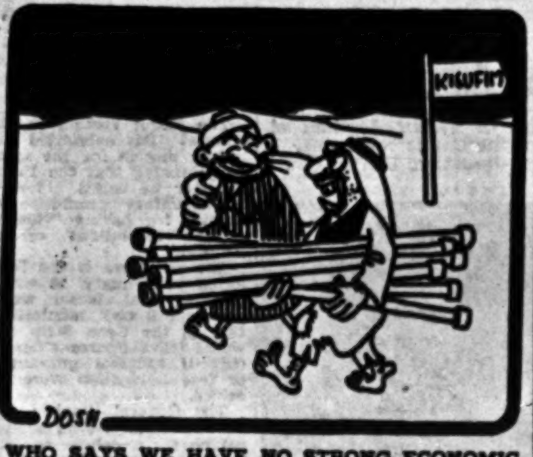
First, it is not the task of the Government to earn money. That is the business and privilege of the citizen. If the authorities are allowed to cover their expenses not only by levying taxes but also by reserving for themselves lucrative sources of income, there is no limit to public expenditure and we shall proceed further and further towards the development of a mammoth administration. What is more, the Government cannot declare at the same time that we must save foreign currency — and that is the aim of the export drive — and then allocate millions of dollars for the import of luxury goods.

There is still another fallacy underlying the plan. This is the perversion of the idea of disinflation. Treasury officials and some economists have become obsessed with the dangers of inflation, and it must be admitted that there is some reason for their fears, since the pressure of groups interested in the continuation of the inflationary process is considerable. But the mopping up of surplus money is not an aim in itself, but a means to an end. And the end which must never be lost sight of is the raising of production and of exports.

The way to fight inflation is therefore not the spending of millions of precious dollars in order to mop up Israel pounds. Such an idea can only occur to people who are frantically searching for remedies to ills which are caused by the existing policy of taxation and wages, and who are too inclined to tamper with economic processes which are much better left alone.

A last point should be mentioned. Recent months have again proved that our foreign currency budget is of even greater importance for our survival than our budget in local currency. However, there is no body under parliamentary control which decides on dollar expenditure. The ordinary budgets, it is true, are also not sufficiently controlled by the Knesset, because supplementary budgets have become the rule instead of being an exception. But at least the Finance Committee knows what is going on, even if it is not strong enough to stand up to the Treasury. Perhaps the time has come to make control of the foreign currency budget more a public matter than it has been until now.

Economic Relations



WHO SAYS WE HAVE NO STRONG ECONOMIC TIES WITH ISRAEL ?

By arrangement with "Ma'ariv"

Bank Leumi Balance Up

By Our Economic Editor

AFTER a period of contraction, as a result of the transfer of important functions and considerable amounts of deposits to the Bank of Israel, the balance sheet of the Bank Leumi for the end of 1956 again shows a rise by a full 22 per cent to IL350m. Though some drifting away of accounts may still take place in the future (in the report year, balances with banking correspondents dropped from IL16.7m. to IL13.7m.), the readjustment may thus be considered to have been completed. On the other hand, the Bank must be approaching the end of its ambitious branch expansion programme, which led the item "premises and equipment" to rise from IL1.1m. to IL2.7m. in the last two years and increased the number of the Bank's branches to 70. It thus remains faithful to its policy of catering to the small depositor and businessman, who make up a growing part of the financial transactions in this country, and who will have to turn increasingly to commercial banks in view of the disappointing development of the cooperative credit institutions in recent years.

As in other banks, most of the credit expansion that took place in the report year was financed by Government deposits. These rose from IL59m. to IL75m., i.e. by almost a third. The public's deposit accounts also rose from IL152m. to IL174m. (including bank balances, which dropped). Most of the additional means went into increased cash and bank balances, which rose almost IL14m. (to over IL58m.) and into Government securities which jumped up from IL8m. to IL12m., mainly reflecting the still unsold holding of the Defence Loan. Other securities also show an extraordinary expansion from IL0.5m. to IL1.2m. in spite of the lower market quotations. The amount of credit outstanding from the Bank's own means rose from IL81m. to IL87m., but the rise was entirely due to a special discount transaction of bills drawn in foreign currency for a Government agency, and cannot be taken as indicating a trend of the Bank's regular business. As a matter of fact, this discount also accounted for almost half of the "bills discounted" at the Bank of Israel, which amounted to IL15.9m. at the end of 1956 (i.e. over 40 per cent of all bills rediscounted by that date) as compared with IL2.8m. a year ago.

Minute Changes

An analysis of the credits according to economic branches shows only minute changes compared to the position at the end of 1955. Indeed, there was even a slight increase in the percentage of credits granted to commerce and services. Obviously, the redistribution process of bank credits launched under the pressure of credit controls cannot be driven much further without impairing the proper functioning of the country's present economic apparatus.

The Bank's net profit shows only a slight increase to IL637,000, of which IL350,000 were appropriated to reserves and IL281,000 are to be distributed to shareholders. That profits have not risen more in spite of the considerably increased business volume is apparently largely due to the rise in costs, mainly salaries, which could only be checked by a bigger amount of mechanization.

The following figures reflect the Bank's development in recent years:

IL 000	1953	1954	1955	1956
Capital and reserves	4,062	4,869	5,008	5,347
Deposits etc.	107,962	144,188	151,880	173,798
Government deposits	80,194	149,437	58,896	75,223
Cash and bank balances	17,840	28,949	44,823	58,515
Credits outstanding	150,717	227,224	140,127	162,388
Net profits	568	588	604	637

More Capital Goods

By a Special Correspondent

IMPORTS in 1956 amounted to almost $370m., according to the preliminary eleven-month figures. This compares with $338m. in 1955 and $296m. in 1954. Invisible imports (i.e. transport, services, interest, etc.) are not included in these amounts. They amounted to $104m. in 1955 and presumably also rose last year.

Most of the increase in commodity imports last year was due to bigger purchases of capital goods, a trend that had already started in 1955. There was a small rise in food and fuel imports too, but it was almost offset by a drop in raw material imports. However, imports of raw materials were more than 10 per cent above the 1954 level and considerably exceeded current consumption. By the end of last September, stocks of Government departments and companies alone rose $36m. above their level at the end of September 1955. As these stocks have since been gradually run down, while imports are now running on a lower level, the annual figures for 1956/57 will more or less revert to the 1955 pattern.

Stocks and Commodities

Tel Aviv Prices Fluctuate

THERE were quite heavy fluctuations on the Tel Aviv market during the period under report. The boomlet in equities proved shortlived, at least for the time being, and some profit taking and other sales reduced the earlier gains considerably. The trend of linked bonds continued downwards with $-linked especially hit. This is explained by the favourable effect of political developments on the economic and financial affairs of the state.

Only very few securities were higher on Sunday than a week ago. Among them were Delek ordinary shares 7½ points up, Teva ordinary shares, and Palestine Electric second prefs — 5 points higher. On the other hand, Tavel Dollar, Palestine Electric, Keren Hayesod, Igroth, Rassco, Local Authorities among bonds, and Africa-Palestine, Ata, Kurdaneh, Moller, and Palestine Potash among ordinary shares, were a few points lower.

Although the prices of equities still remain slightly higher than two or three weeks ago, the recent fluctuations on the market in this section again prove that not much can be done for this section without an all-round joint effort by the Government, the Companies involved and the Stock Exchange Council, which has often been urged in this column.

On the "curb" conditions were steady, with I.O.P. moving slightly up to 14¼-14½, I.O.P. loan quoted at 165-170, Palestine Brewery shares at around 65-70, 2½ per cent Compulsory Loan (properties) ex drawing 63-64, Yam Hameleh debentures at 265-270, and shares at 25-30.

New York Heavy on Budget Cuts

THE March rally on the New York market came to a stand-still in the middle of the week when prices began dropping. The heavy tone was caused by President Eisenhower's announcement that the Government spending programmes were under study with a view to cutting them. Heavier pressure was felt after the Federal Reserve Board chairman told Congress that with prudent planning the U.S. economy can take a 10 per cent reduction in defence spending without serious repercussions. Later, the House Appropriation Committee had called on President Eisenhower to submit recommendations to Congress for substantial reductions in his budget. Leading the losses on the market were aircrafts and motors, the former down by more than three points.

Dow Jones average for 30 Industrials was 471.63 after 474.87, as against 468.91 last week.

To encourage American export, the Export-Import Bank authorized to 38 countries in 1956 credits to a total of $1,156m. the highest yearly amount since 1946.

London Markets Depressed by Strike Call

LABOUR trouble in the ship-building industry and a strike call coupled with the by-election results, which reduced the Government majority, brought an all-round decline to the market, with, however, prices keeping fairly steady at their lower levels.

Reuter's Daily Index for Gilt-Edged was 77.8 as against 78.4 last week and for Industrials 206.5 as against 210.1. Transferable £ were lower at 276.20 to 276.40 and Security £ at 261.5 to 262.

Germany Helps Pound

THE German contribution of £50m. towards British defence costs will be of benefit to the British gold and $ reserves. Of more immediate importance is the agreement under which the Bank Deutscher Laender will deposit £75m. with the Bank of England on account of future instalments on the post-war debt due from Germany to the U.K., amounting to £120m. and due to be repaid by annual instalments of £7½m.

Nervous Market in Paris

THE uncertainty of Egyptian moves in Suez and the coming new loan floatation made for a very nervous market on the Paris Stock Exchange. The loan will bear 5 per cent interest, tax free for five years. It will be drawn with a 10 per cent premium in addition to the 5 per cent fixed interest. It is due in ten years (as against 15 years for the old loan), and it will be linked to the share price index on the Paris market. The new loan is intended for specified development projects, such as electricity, agriculture, atomic energy, oil prospecting and overseas investment.

Oil Situation

Even if the Suez Canal and the pipelines across Syria remain closed, 94 per cent of normal oil requirements will be available in Europe during the second quarter of 1957 from other sources, the Petrol Emergency Group of O.E.E.C. has announced in Paris. In the meantime it was announced that it will take a whole year before the I.P.C. restores the pumps in Syria, but the Company can by-pass the station after ten days' work. Thus the flow of only 11m. tons of oil a year can immediately be resumed, as against the 25m. tons a year when the pumps are working.

By arrangement with
I. L. Feuchtwanger Bank Ltd.

Tel Aviv Stock Market

MARCH 11, 1957

Pop. Loan 1949/69 (IL40)	94
6% Comp. Loan 56/67	74½
3½% War Loan 64/39	95
3½% Gov. Bds. (large)	101
Pal. Bearer Bds. Ser. 3	92½
5½% Tavel Dollar x) y)	75½
4 % Reg. Sterling "A"	98½
Pal. Elec. pref. sh. (Ldn.)	254
6½% Bonds 57/64 f)	104½
ditto g)	106½
Keren Hayesod 6½ % Deb. 56/65 f)	101½
ditto g)	100½
Igroth Led. 6½ % Deb. 58/65 f)	98½
Rassco 6½% Deb., 58/64 Class "A" f)	100½
Class "B" g)	101½
Bk. Leumi ord. sh.	165
Bearer Savings Cert.	88½
A.P.B. Investmt. 4½-6% Conv. Deb.	75
ord. sh. "B" reg.	170½
Gazit ord. sh. "B" reg.	92
Ellern's Inv. ord. d)	144
P.E.C. Inv. ord. "B" reg	87½
Gen. Mortg. Bk. ord. sh.	74½
Bisur 4% debs. 56/65	85
Nir 5% pre. sh.	77½
Pasa 4% debs. 40/64 reg.	78½
"Inva" 5% debs.	81
Afr. Pal Inv. ord. sh.	62½
I.L.D.C. ord. sh. reg.	88
5 % debs.	71½
Rassco 6% pref. ord. sh	89
Ata ord. "B" sh.	94½
6-8% con. debs.	82½
"Kurdaneh" ord. "B"	94½
7% con. debs. 55/65	80
Moller-Das ord. sh. reg.	75½
Pal.-Brewery 8% con. debs	79
Assis Bejerano "B" sh.	99½
Nesher 6% debs. "A"	115
Pal. Potash "A" ord. Sh.	65
"Teva" ord. Sh.	102½
Pal. Cold St. ord. sh. reg.	170
Delek Ord. sh. "C"	96
Pal. Centr. 5% debs. a)	97½
Mekorot pref. sh.	73½
Jordan Exploration Co. Ord. Sh. reg.	180

Notes: a) purchasing price: b) selling price; c) ex coupon; d) ex-dividend; e) ex-right; f) linked with $; g) linked with C.o.L.; x) in % of IL1.800; y) in per cent.

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Death on the Nile — Agatha Christie
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Zarak — A.J. Bevan
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From Medicine Man to Freud — Jan Ehrenwald, M.D.
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The Tall Dark Man — Chamberlain
Listen the Wind — Anne Morrow Lindbergh
The Hidden Grave — Peter Hardin
The Lively Corpse — Margaret Millar

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Ministry of Defence
Reali Secondary School Haifa
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Registration for the 1957/58 school year
Registration for the 5th course of the Military Academy will begin tomorrow, March 13, 1957, and will end on April 28, 1957. Applications for admission may be submitted at the following addresses:
Jerusalem — Derech Bethlehem, corner Rehov Emek Refa'im, Baka'a.
Tel Aviv-Jaffa — 1 Rehov 325, Jaffa.
Haifa — 23 Rehov Y.L. Peretz, or Reali Secondary School
Petah Tikva — Shikun Feja.
Tiberias — Rehov Nazareth, opp. the Municipality.
Beersheba — Rehov Herzl.
Parents interested in obtaining particulars on the Military Academy are invited to meet representatives of the Ministry of Defence, the Reali School and the Academy, at the following addresses:
Jerusalem — Rehavia Secondary School, Rehov Keren Kayemet — Wednesday, April 24, at 8 p.m.
Tel Aviv-Jaffa — Recruiting Office — 1 Rehov 325, Jaffa, (near the Noga Cinema) — Thursday, April 25, at 8 p.m.
Haifa — Reali Secondary School, Rehov Herzl — Sunday, April 28, at 8 p.m.

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